Sustainability in the Hospitality Industry

How Data Is Making an Impact

by Jeanne Varney

Data gathering and sharing have become essential functions in the hospitality industry. As explained and examined by a panel of industry leaders, travelers, travel agents, and investors all seek data regarding hotel firms’ carbon, energy, and water usage. The five panelists are directly connected to or responsible for sustainability and corporate responsibility in worldwide hotel firms, and are participants in the Hotel Sustainability Benchmarking Index (CHSB), a ten-year effort led by Greenview and published exclusively by the Center for Hospitality Research to develop industry benchmarks for greenhouse gases, water use, and energy consumption.

1 https://ecornell.cornell.edu/keynotes/overview/K060723/
   https://ecommons.cornell.edu/handle/1813/113258
Jeanne: Good day everyone. On behalf of the Center for Hospitality Research, I’d like to welcome you to today’s webinar. My name is Jeanne Varney, and I’m a senior lecturer in the Peter and Stephanie Nolan School of Hotel Administration in the SC Johnson College of Business at Cornell University. Thank you all for joining us.

We have a really excellent panel with us today. It’s a true international representation of hospitality industry companies. They are coming to us today to talk about their thoughts on how they use data, how to optimize the use of data for sustainability, and ESG performance in their companies and for the industry. Really, whether it’s for an individual asset or even at the corporate level.

Let me introduce today’s panelists. They are:
Tom Mallett, the Global Director of Decarbonization and Sustainable Performance from Accor;
Eloisa Urrutia Monnot, Head of Sustainability Strategy and Solutions at American Express Global Business Travel;
Eric Ricaurte, the founder and CEO of Greenview;
Rishi Shah, the senior director of sustainability at Wyndham Hotels and Resorts; and
Emily Smith, senior director of investor relations and corporate responsibility at Park Hotels.

Data Collection: Ten Years of Progress

Let’s start by talking a little bit about gathering data, and some of the work we’ve been doing at Cornell with Greenview. Eric, I’d like to kick it off to you to talk about some of the work that we’ve been doing with the Center for Hospitality Research and formalizing some of the gathering, analysis, and use of sustainability metric data.

Eric: We are now in the tenth year of the CHSB index. As shown in slide 1, the Hotel Sustainability Benchmarking Index is an industry led initiative. We started working with the hotel chains ten years ago, to discuss how we could do an initiative that gives public data set benefit, gives a private benefit to the companies that participate, and is enabled for a large hotel chain down to a small individual property. We put together this initiative as a collaboration between Greenview, Cornell Center for Hospitality Research, and the Industry Advisory Group. We will share some of the
opportunities that you have to use data and use the CHSB index for your data needs as a lot of companies do.

We’ve now grown to over 31 participants, including participants in the audience today (slide 2). As you can see, this includes hotel owners, and large and small operators around the globe who have come together to put together data for energy, water, and carbon. And now we’re going to pilot data on waste.

You can see the trajectory in slide 3. In 2014, we were able to publish our first dataset, with data from a few thousand hotels. That number has steadily increased over the years, and we now have over 25,000 hotels from 31 companies. This has enabled a robust set of data to be given to the industry for its benefit.

Let’s look at how this works and how we can use the data (slide 4). Here’s the methodology. First, hotel companies and hotels submit their data. We harmonize those data in a series of segmentation and harmonization of units and metrics. We perform validity tests. After segmenting, we make sure we can meet minimum thresholds to give benchmarks, and we then output the data.

Slide 5 shows the type of benchmarks we develop and what information is available. We have carbon, we have energy, we have water, and now we’re piloting on waste. We give this an intensity metric, so you can see metrics on the standard HCMi and HWMI, which are the ways you can calculate the carbon footprint or the water intensity of a room-night or meeting space. We do intensity by floor area, square meter, and square feet, as well as occupancy per occupied room, and per room figures as well. Those are the industry specific metrics, because this is an industry-specific benchmarking exercise, hotel centric first rather than commercial buildings only.
We then segment to give benchmarks by metro area encompassing MSA, National Capital, Region (which can be a broader region), or climate zones, as well as country level. We also segment this by industry-specific STR chain scale, Expedia stars, asset classes, and hotel types and location segments to give a little bit more relevance by hotel type (slide 6).

Now, in the validity testing process which we built with the advisory group over the last few years, we make sure that the data are complete (slide 7). We remove outliers based on a series of fences that are freely available as well. We look at ratios, and we look at relative change within a period of the data. We crunch all those numbers. At this point we’re ready to output the data set.

As indicated in slide 8, there is a public data set available. This is a tool where you can access the data in bulk (the measures are not shown here). You can look up any country, market, or geography. We have over 600 of these which you can see for each of the measures that we output: energy, water, carbon per occupied, room per square meter, HCMH, and HCMI metric. And you can then see the range of performance. And so you can see the lower hotel, upper quartile, low, high, and see the big range that is found in any market.

That publicly available dataset does not share the individual property data. However, participants get reports that are individually customized to each property. Slide 9 is an example of a participant report where we give benchmarks that are specific to the metro area, but as well are specific to the attributes of the hotel across all climate zones where we can give the intensities and we give your validity testing out for energy, water, and carbon.
For portfolio users, we give portfolio reports that roll up the data and can be used for integration into API or into other systems that can be used for the larger portfolio users. That’s really the premise of the data. We’re able to have a dataset that comes together and then we can start to derive conclusions for the industry as well as for a particular portfolio.

I encourage you to check out the guidance document, which gives some of the findings. Slide 10 presents a couple of nuggets by way of examples. One of the interesting things in the United States is that water intensity was actually up between 2019 and ’21. This is a result of low occupancies in 2020. Even though occupancies go down, water consumption doesn’t go down uniformly. That’s one of these lessons we can learn from a big dataset that we can then publicly see.

The other common finding is what we call the Opportunity Gap (slide 11). When we take the dataset and analyze it across any given market, we find that in the range the lower quartile performer versus the upper quartile is about a two-to-one ratio—meaning the hotel that’s a 25 performer versus a 75 performer market is twice as efficient. There’s always opportunity and room for improvement. Here we show U.S. markets that are full-service non-resorts with in-house laundry. And you can see it’s pretty consistent.

Slide 12 shows another type of opportunity gap. Let’s go to the other side of the world for water per occupied room for limited-service hotels. You can see that in Jakarta, for example, it’s a 2.7 ratio, while Bangkok is 4.3. What this really indicates is there is a range of performance. This helps give more details for how performance can be improved based on a yardstick that shows where the hotel is performing. Others can use that and say, well, here are the things you can do to improve.
Joining the CHSB Survey

To wrap up with a couple of updates, here’s how to participate. First, as shown in slide 13, you can sign up by the link here, submit the participation form, and we then give you the data form. The fees are reasonable, ranging from $600 for one hotel to $9 per hotel for a large portfolio of hotels to make it economical and encourage bulk data. We then review the data with you, give you validity tests, and then we output it.

While the data participation remains open, time is short. You’d need to submit data by end of August in order to have that data included in this year’s dataset (slide 14). We will then give back the benchmarking reports by the end of the year and then look to publish the full public dataset, guidance, and other things in the first quarter of 2024.

As shown in slide 15, this dataset is used by or is in place for a number of entities, hotels, businesses, buyers, and others. The dataset has been integrated into the scope-three calculation protocol for greenhouse gas. U.K. governments, New Zealand governments, and other entities have been using the datasets for their own purposes.

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2 https://greenview.sg/services/chsb-index/
With this industry collaboration, we can take common metrics such as HCMI, putting them together in a public and freely available dataset and outputting the data uniformly (slide 16). We then convert that into an industry tool that can then serve and push out further. This dataset has allowed us to create the hotel footprinting tool (shown in slide 17), where anyone can go in and estimate the emissions of room-nights and travel stays anywhere in the world.

We then give that in bulk to travel buyers and intermediaries, such as those who do carbon offsetting, and corporate travel management companies. Several firms are now using this, and the list continues to grow. Slide 18 shows examples of tool users. We can use the data for various purposes across the myriad of needs and across the value chain of hotels and travel.

Finally, slide 19 outlines the outlook for CHSB. We’re at the tenth year, and we’re now taking it to more of a platform. We will now be giving more analytics this next cycle, more participant guidance to help interpret the numbers. We’re going to keep improving our segmentation with the help of our advisory group as well the validity of testing. We’re going to move to more of a platform approach to where there are data providers and data recipients, which includes property level participation output. There will be destination level participation enabled. And we will be doing this along in parallel enhancement of the updating of the industry methodology for measurement, which is the HCMI 3.0 Lots of good stuff. I look forward to working with you. We welcome everybody’s participation and everybody’s use of the data.

Jean: Thank you, Eric. We’ll talk a little bit more about CHSB as we go through the morning. Here’s an overarching question for panelists. Could you each just take a minute to talk about how sustainability data works in practice in your own companies, and how do your companies use sustainability related data? Tom, would you like to start us off?

Tom: It’s a pleasure to join the group today for this discussion and to emphasize the importance and value of the CHSB Data Center. As many of you know, Accor is a French-based international hotel company with almost 6,000 hotels operated under about more than 40 brands in more than a hundred countries. So we’re operating on a global scale.

We’ve had an environmental reporting program in place for almost 20 years now, so we’ve been on this path for a long time, but it’s important to say that the
interests and value that people are seeing indirectly and directly in the data is obviously growing. Quite simply, it’s a question of if you do not measure it, you cannot manage it, and therefore you are leaving value on the table.

When it comes to environmental data, it is the means to the end. For Accor, our focus is really on the outcome which is driving environmental performance. It’s important to collect that data to then inform the business decision and management process to then get to that outcome of driving performance.

In terms of where we are for Accor, how do we go about collecting and managing our data? We have a reporting tool in place called Gaia. All of our hotels log into this tool each month and load their information, collecting data from hotels. Our properties constitute a diverse group, ranging from city hotels to hotels that are on islands on their own somewhere. This diversity presents challenges, often in terms of helping them to report their data. But we have a big focus on data quality.

Today, we treat environmental data at the same level as financial data, because it links to the credibility of our brands. It’s important that if we’re making statements and claims around performance, we have data to support those claims. That ties into, for example, legislation which is approaching in Europe, as well as other frameworks and reporting processes that are in place as well.

At a property level, the hotels submit their data, and it gets crunched and processed in our reporting tool. We have a big focus within the business on, for example, emissions reduction, as well as obviously optimizing our energy use. The largest source of emissions is the energy that’s used by hotels, and energy is also the second largest operating cost for hotels. Consequently, energy has a big environmental impact and benefit for acting on it, along with a commercial benefit and performance opportunity as well.

Putting energy with water and waste, the methodologies help us to track and share the data on these other KPIs and on the collective P&L impact. These areas typically represent 10 percent of a hotel’s budget. It’s really quite material to hotels, both in terms of business and environmental impact.

Looking at the CHSB, once the data is collected, we can benchmark hotels against each other. So we can compare an Ibis against an Ibis or a Fairmont against a Fairmont. But increasingly, we’re also using the CHSB dataset to basically benchmark the performance of our properties also against the other competitor hotels, which we know are neighboring hotels, to drive some friendly competition and performance as well.

Emily: We’re thrilled to be here. I’ll just give you a little bit of background about Park Hotels and Resorts. We are a full-service lodging real estate investment trust. We are actually a spinoff from Hilton, which spun out its real estate arm in late 2016 and early 2017. We have been a public company since January 2017, and we’re proud of the fact that we’ve been able to publish our sustainability-related data every year that we’ve been a public company, thanks to our partnership with Eric and Greenview.

Just thinking about how we use sustainability data at Park, we currently have 46 hotels, all located in the United States. We do have some rather large hotels—some of them are up to 3,000 rooms. Needless to say, they vary in footprint. We take a much more granular approach because we’ve got a smaller footprint than some of the brands and other people on this panel.

We’re really looking at the data to help drive their financial decisions, which are also sustainability-
related decisions. We’re looking at things like which of our hotels use the most energy, and which of them have aging systems. We’re looking at it from a financial perspective, but we’re also looking at the opportunity to implement a new system, something that’s more efficient to improve our overall footprint. From an environmental perspective, we’re looking at it just from the return that we’ll get, both financially and in this sustainability lens.

We also look at the data to determine what is our risk footprint, thinking about climate change and resilience. In this connection, we’ve got assets that are located in coastal areas, for instance, and we’re looking at sea level rise. We look at our portfolio, and we have relative risk scores for a lot of our investment decisions. Risk impacts our insurance, and it impacts sustainability. We’re looking at the data to understand the risks that will face our portfolio in the future, and what can we be doing now.

We have to consider how risk might change our approach potentially to where we want to be located, say, by 2050. Then not to ignore the other side of the environmental data, but we’re also always looking at any of the DEI data that’s out there. The social data, there’s a lot of information that’s out there in the public sphere. We look at that data and it helps us, it drives our policies to see like, okay, do we have the same supportive and employee friendly policies that some of our peers have? We’re constantly looking at the data and benchmarking to be sure that we’re doing the best that we can to be good corporate citizens.

Rishi: Let’s start with background on Wyndham Hotels and Resorts. We spun off from Wyndham Worldwide about five years ago, and we are really an asset-light company, one of the largest hotel franchising companies globally. We have over 9,000 hotels in 24 brands, spread across 95-plus countries. Although we span the gamut from economy all the way up to upscale, we do command a leading presence in the economy and midscale space.

As an asset-light firm, we don’t own any hotels. A lot of what we do in our Wyndham Green Program is all about influencing and educating our franchisees on how to embrace sustainability so that they can reduce their environmental impact, along with reducing their operating costs. With data as a foundation, we provide all of our franchisees with access to our Wyndham Green Toolbox so that they can measure and track their utility performance, because it’s so critical. As Tom mentioned, utilities are the second highest operating cost for hotels after payroll. But it’s something that they can easily manage and get a better grip on.

What we did was to roll out the Wyndham Green Program and an internal certification program to provide a roadmap for hotels to approach sustainability in a practical way. Data comes in really handy because as they progress through that certification level, they can see how they’re improving over time and how they’re reducing their environmental impact. You can see that it’s critical that our hotels are really measuring what they do. Because as Tom said, if they don’t measure what they’re doing, then they don’t know how they’re doing. It is a critical piece in that sustainability journey.

Eloisa: Let me start with American Express GBT. Amex GBT is the world’s leading business partner for managed travel. We help companies and their employees prosper by making sure travelers are present where and when it matters. With travel professionals in over 140 countries, we have a strong global presence. Our clients, which are companies of all sizes and in all places, rely on GBT to provide travel management services, organize meetings and events, and deliver business travel consulting.

Our ESG and sustainability programs are at the core of our business, shaping everything from our partnership with suppliers to our client solutions and of course, our technology. The sustainability data is critical in our strategy. We have embedded it in the core areas with the following three core purposes: (1) corporate reporting, (2) making sure our value chain aligns with suppliers, and (3) encouraging sustainable decisions by our clients.
The corporate reporting piece is important both for our clients and for us as a travel management company. Sustainability data, and specifically hotel sustainability data, support information about our value chain emissions. For us, they would sit under what we term a scope-three category, which is a category that we have reported on since 2019. In general, in the industry, there is obviously an increasing need to report on scope three from a regulatory perspective. However, we also want to show client data to our investors as a proxy for how well our company or companies in general are managed.

Another purpose for sustainability data is the supply chain selection and onboarding. We need to be able to identify and categorize all our suppliers and vendors based on sustainability criteria, but specifically hotel properties and chains. We want to ensure they meet our high ESG and sustainability standards and practices that align also with our clients’ requirements.

Last but not least, sustainability data is key to helping our clients make sustainable choices at the point of sale. Along that line, we want to educate two key client segments—business travelers, and meetings and conventions groups. For business travelers, we would provide data when they book their trips and hotel stays through our technology platforms. They need sustainability data at the point of sale to make sustainable decisions. Then for the meetings and events piece, we need to follow a similar approach.

In summary, sustainability data needs to be embedded in our technology when hotel properties are selected. This would be like a first filter. But there’s a second set of data that is also essential—the qualitative data. Once the event or meeting property is engaged, this would be more of an educational purpose for our clients.

Jeanne: Eric, in addition, I know you work with the CHSB, but your other clients also have different needs and uses for data.

Eric: Of course, we use data to prepare those wonderful ESG disclosures that everybody loves. But other than that, we use data to develop attributes or best practices that encourage FOMO among hotels. For instance, we can give them a qualitative benchmark and say, you don’t have variable-frequency drives in your kitchen node fans, but 70 percent of your market does. That can actually motivate hotels to meet that standard, even without an exact percentage ROI. When I give a report of software for the company, for the hotels, we actually focus on social data first. We put that front and center—the community impact, the volunteering, the donations—all the actions and activities they can do to help motivate the team to carry out programs so that they’ll enter the environmental data we also need.

Jeanne: The next question I have involves homing in on which data might be considered most relevant right now. Eloisa, could you start us off with talking about what data is making sense and being most relevant right now to your clients?

Eloisa: As a starting point, we know sustainability data is not an easy topic. The way we see it, the most important data that matters to us is specific hard data related to the carbon emissions for the contracted services with the hotel. If it’s a business traveler, it can be a couple of room-nights, or from a meetings and events perspective it can be the carbon emissions related to the whole event. This would of course include the emissions generated by plastic, waste, and other elements.

The Cornell benchmarking data are critical here because we don’t often receive the actual data from the properties. We can also calculate the data based on these benchmarks, and also the third-party verified credentials, commitments, and certifications.
increasing number of corporations, including Ameri-
can Express GBT, have sustainability targets at the
supply-chain level. Amex GBT aims for hotels with
sustainability standards, such as hotels certified to
GSTC-approved and recognized standards, with a goal
of 25 percent by 2025.

Going beyond the corporate reporting purposes,
it’s interesting to understand the internal sustainability
management programs from the properties and their
own sustainability targets. We want to understand
whether they have a net zero journey, together with
plans to measure and reduce their emissions. A third
purpose of the data is to help our travelers and meet-
ing owners make sustainable choices. It’s not only
about getting the data, as Eric said, but influencing and
nudging our ecosystem to travel more sustainably.

Technology plays a critical role to allow making
sustainable property choices at the point of sale. The
main criterion is whether the property is certified by
a third party. Additionally, the ideal scenario is if the
property can provide primary carbon emission and
waste data. I would say these are the most impactful
data today.

For the MICE sector, there is more interaction
between a meeting planner and the property, and more
detailed information on internal initiatives is welcome,
including more detailed data on internal initiatives. So,
the story behind the data gets more important, and
the purpose here is more one of education and also
to increase travelers’ engagement during the hotel
experience.

Jeanne: That’s a lot of information. Emily, could
you give us an ownership perspective?

Emily: My perspective involves taking a bit of a
step back. It’s not really about the outcome of data. In-
stead, we’re at the stage where it’s all about what goes
into that data. We’re really focused on accuracy right
now, which I would say is something that’s come along
a little bit later in our journey.

We started reporting in 2017, but we just want to
be sure that our data is accurate and solid. There are
so many different metrics that are out there and different
ways to look at things that it becomes complicated.
Take building square footage, for example, this is one
of our big projects. You would think this would be
straightforward. You’d think that everybody would
know the exact square footage of their hotel. You’d
think they’d know what goes into the calculations to
drive anything like your carbon emissions or your
energy intensity.

But no, actually, the square footage can vary
based on who you’re reporting to, and which parts
of the property you’re considering. Are you some-
times including your outdoor garage space? Are you
including your underground garage space for some
purposes? Does it include outdoor meeting space? Is it
a permanent structure or is it not? We’re at that stage
where we’re really trying to understand, hey, do we
have good data? Do we have the right foundation
and procedures in place so that we can then turn out
this data that actually supplies much of the industry.

That’s really our challenge right now. For ex-
ample, we have some hotels that are over 100 years old.
You go down into the basements of those hotels and
you’re wondering like, is everything being accounted
for here? Are there old utility meters that might be
there that we don’t know about? Are they turned on
and, if so, which one goes to a tenant? Which one
belongs to us, which is our scope one, scope two, scope
three? That’s where we are this year. It’s really trying
to dig in because we want to have that confidence that
our sustainability data is just as accurate as the finan-
cial data.

If there is any SEC legislation, a lot of this will be
regulated. In the meantime, we just want to have that
foundation that then we’ll really supply any targets

One use for the ESG data is to set
qualitative benchmarks for best
practices.—Eric Ricaurte
Our stakeholders want transparency for ESG and climate data. Communication is critical.—Rishi Shah

that we put out there. We want to know about any net zero goals just so we have that confidence going forward.

Eloisa mentioned waste, and that’s another thing with data all over the place. You could get data, and sometimes we ask our hotels to report it. But sometimes the numbers you get back just don’t make any sense. It’s because people don’t understand it yet. We don’t really have the metrics in place or the systems in place to really accurately measure the different types of waste that might be there. What’s going to composting, what’s being recycled and how is that being measured? Are they weighing the whole thing or they actually taking an inventory of it?

What matters most to us right now is really just, do we have the foundation and the building blocks in place? And it is definitely a work in progress. We’re hoping that once the SEC legislation comes out, this will help all of us move forward and feel a little bit more confident in the data.

Jeanne: Thanks for that honest perspective. I think a lot of companies have the same concerns and the same approach that you have of uniformity. And the problem with hotels, even 200-room hotels are not the same. And getting everyone into that uniform system and accuracy is challenging. I definitely commend your work.

So for the next question, I’d like to talk a little bit about external communication and how you might communicate some of your ESG information and data. There’s a lot of work that goes into collecting and analyzing, but then how is it communicated from there? Rishi, could you start with that?

Rishi: With stakeholders, we see an increased need for transparency around ESG data and climate change. That communication piece is so critical. Every stakeholder looks at the data in a variety of different ways. But one of the most common ways we disseminate our ESG data is through an annual ESG report. We’re sharing more information about organization, what our hotels are doing around the environmental, social, and governance aspects. That seems to be one method of communication that resonates well with a broader audience of stakeholders. Whether it’s shareholders, team members, maybe some guests, suppliers, partners. But that’s generally usually the broadest audience we touch.

But when it comes to shareholders, they really want to get into the nitty gritty. They want to see the environmental metrics, how you’re managing your risks, and what governance you have in place. That’s where we really leverage participating in environmental disclosures like CDP, response to climate change, and water security. Because they really get into the weeds there. And we’ll really analyze what we’re doing from a governance perspective, what is our strategy and what are the metrics.

But then we are also looking at some other stakeholders that are really important to us, namely, our hotels and our franchisees. We share with them their own environmental performance in our Wyndham Green Toolbox dashboard, so that they can see how they’re performing over time to see whether there are any hiccups or any spikes and usage. Or see how they’re improving and reducing the environmental impact.

I think another important stakeholder we need to look at is corporations. Companies are increasingly looking for more sustainability data and more metrics. The need for transparency has only increased over the last three years. If you look at RFPs from corporations, over the last 15 years, it’s grown from three questions to over 48 questions around sustainability and diversity. Now, hotels are really challenged to really try to provide as much information to these corporations as possible so that they could put their best foot forward to compete for that business.
As they’re making these travel buying decisions, these companies are increasingly being influenced by companies’ sustainability departments. They are really analyzing and looking into that data. It becomes critical that our hotels have the ability to leverage what Eric mentioned earlier: their standard methodologies of measurement, including HCMI, HWMI, and the hotel waste methodology, to really standardize how we as an industry look at these sustainability metrics and report it consistently. Depending on who the stakeholder is, we’re leveraging that issue data in a variety of ways.

Jeanne: Tom, how about the other brand perspective from Accor.

Tom: I echo those comments. We obviously come at it from a similar perspective, so we’re seeing the same dynamics in the market. Likewise at the hotel level, it’s really about helping the hotel understand what their consumption is in terms of energy, water, and emissions from waste, as well as carbon emissions. Then we are helping them increasingly to use that data to build a business case for investment in energy efficiency projects and driving investment back into their properties.

It’s not just a question of the current reporting and data that they collect now and the historic perspective. It’s also the perspective looking forward and thinking about how they can use that information to drive their performance—aligning with different things like carbon reduction targets, science-based targets—how you can use your assets and what tangible actions need to be put in place to achieve those targets.

At the rolled-up corporate level, we obviously produce our annual reporting, which is the major source of publication of a consolidated view of Accor’s carbon footprint, environmental metrics, sustainability metrics, and social metrics across the business. But we also then participate in a large number of different ESG reporting programs, such as CDP, TCFD, SASB, and DJSI.³

Alphabet soup! We’re all familiar with those. Ultimately this is being demanded certainly on the investor side in terms of Accor’s shareholders. So, it’s really critical that we are being responsive and also trying to get ahead even as different frameworks are emerging. For example, we have a big focus on plastic, as well as on nature and biodiversity. Those are the next evolution. At the moment, energy, water, and waste, are focused on the property. It’s not looking upstream from the property, but for Accor and other hotel groups these are usually the second largest source of emissions.

Thinking more widely about that dataset, a large part of the rooms that are sold to our guests are through online travel agents. They also increasingly are expecting—even demanding—that Accor will provide some of this information. We’re always engaging with them to really drive the process forward. We have a variety of initiatives like the Sustainable Hospitality Alliance, which is a forum where the industry is coming together to look at the best practice approaches that can be put in place at an industry level to really address these topics.

This goes to the key point that data on its own is not the solution, in the sense that more data is not necessarily better. It’s about the quality of data and data that actually meets a targeted option. There are many different ways that you can slice the apple or orange or whatever you want to choose. The problem is that we can get lost in that detail. It’s important that we can zoom out, stand back, look at the data in a more macro perspective to consider our objectives. Then we can put in place the right actions to collect the data that’s needed that can then inform decision making and unlock value for our hotel owners. At the same time, we can help our guests to choose the right hotel that’s relevant for them, which reflects their targets or their personal preferences around reducing their own emissions.

³ CDP is Carbon Disclosure Project; TCFD is Task Force on Climate-related Financial Disclosures; SASB is the Sustainability Accounting Standards Board; DJSI is Dow Jones Sustainability Index.
ESG reporting is a key element of investor relations. We receive many information requests.—Emily Smith

There’s a big focus on frameworks like CHSB at the macro consolidated level, as well as HCMI, HWMI around carbon and water reporting and new waste reporting methodologies. We’re working toward standardization and having a common set of metrics that everybody can be using.

It’s important to note that we receive requests: literally thousands of stakeholders each year are asking for this information. Thus we need to consider how we can, in a systematic way, be efficient in how we share that information and make sure it gets to the people that are interested in accessing that data. A key part for us, then, is how we think about how we communicate this information at the right place, at the right time for the relevant stakeholders that we’re working with.

Jeanne: Emily, you have a bit of a different audience that you communicate with. How do you find that Park is working with ESG communication?

Emily: As Tom was just referencing, there are so many requests from various stakeholders, including our employees, our brands, and our investor base. I also work in investor relations, and that’s actually one of the reasons that ESG sits at Park in the investor relations group. It’s a significant source for some of the questions and driving some of the things that we respond to. But it’s really challenging to whittle it down and to figure out what to respond to.

I’m talking more about the ESG frameworks at this point because there are so many requests. At Park, it’s a team of one plus Greenview, as our consultants. But it’s really challenging, and nobody has the resources to respond to every single request. It’s looking at where the industry is headed, and what you think are the most relevant responses that will tell your story the best. I absolutely agree that publishing an annual corporate responsibility or ESG report is a key part of that, because that allows you to tell the social side a little bit more of the narrative of what your company is doing versus just checking a box, you know, an “enter the data here” thing. We see that as our opportunity to tell Park’s corporate responsibility story.

We also do put information up on our website that details all of this. But then we have to pick and choose the most relevant frameworks that we think have become more standardized and more widely accepted. We do report to SASB, we have a GRI index, and we have a TCFG disclosure as well. Those are all included in our ESG report, and it’s also on our website. We also respond to GRESB, which is the global real estate sustainability benchmark. This is relevant for owners to compare with real estate companies throughout the world. To be perfectly honest, that is all we have the capacity for right now. So that drives our ESG reporting. A lot of it is bandwidth. There’s been a lot of consolidation and standardization in the industry, and that’s a wonderful thing. We can hope that people will be able to pull these data from these various public sources, because there’s no need for us to be reporting the exact same information to ten different places. We’re really hoping that we’re moving in the right direction for the most part. We think our investors are on board with our approach, and that they’re able to gather their relevant information based on what’s publicly available.

Jeanne: If you don’t mind, we’ve got a couple of audience questions we might want to sneak in here. This is for Tom. Since reporting has started, what has been the reduction seen within your hotels going back 20 years?

Tom: I don’t actually have a specific twenty-year number in mind. I’d have to review that one. The complexity with measuring a metric like that is the fact that our portfolio has evolved. In the last 20 years, we have gone from probably being a couple of thousand
hotels, up to 6,000 hotels at a macro level. The emissions have quantitatively increased naturally. But certainly at a property level, there’s been significant reductions. I think it would be more than 20 percent, at least over that period of time. Substantial in terms of reductions, but certainly a long way short of where we need to get to in terms of aligning ourselves with the Paris Agreement and the 1.5-degree trajectory which is needed. Those figures are more in line with a 46-percent reduction by 2030. We’ve had significant progress so far, but there’s much more to be done in terms of reducing our footprint and aligning ourselves with the targets of, for example, our corporate clients that also have science-based commitments.

Jeanne: Eloisa, here’s one for you. When an end user is booking travel on your platform, can they see the sustainability data? And if so, what kind of information do they see?

Eloisa: That’s a good question. The answer is yes. Our technology platforms allow users to select sustainably certified properties and see carbon emissions at the point of sale. But the followup is: how do you define a sustainable property? I think this question reflects what corporate and users’ travel management companies are actually looking for—a yes or no answer. We focus on and recognize the importance of third-party certification and GSTC accreditation, in line with industry progress, to define sustainable properties.

We’re enhancing technology to allow certain emission-reduction features for the properties and chains that can provide this, such as avoidance of single-use plastics. You can tick off a box if you want to stay in a property that can provide this and other initiatives like that. Or programs like hotel and sheet reuse programs, or availability of lower carbon intensive vegetarian dishes.

Jeanne: We have one more question here, also interesting. It’s talking about green certification bodies and trying to align measuring and data gathering and reporting relevant sustainability data. The question is whether the industry can somehow align a little bit more with data gathering and validation of some certification systems. Has anyone taken a look at that?

Eloisa: I can speak from our American Express GBT perspective in the industry, the way we look at certifications. We have a partnership with GSTC, which is the Global Sustainable Tourism Council. We do recognize the importance of verified third-party certification in our sourcing strategy. We do promote GSTC certifications that are verified and accredited by GSTC, and there are a myriad of them that sit under the GSTC umbrella. If I’m not wrong, I think it’s the only global body to verify accredit certifications. They also have their hotel sustainability criteria, which is the pathway to get certified. I think this is a good reference in the industry. As per the measurement, I think the industry is still working on an aligned measurement. And specifically for the MICE segment, I shall highlight the net zero carbon events initiative, which is a UN backed initiative that brings together MICE organizations from different categories and geographies that are collaborating to drive the event industry to net zero. Greenview is a key player in this initiative. We’re working towards building sustainability frameworks and methodologies for all event areas, with the hotel piece being a key one.

Jeanne: I have a question for you, Tom. How does CHSB recognize hotels that are buying green energy to reduce their emissions?

Tom: If I may, I’ll slightly rephrase this question and think about it in terms of decarbonization for hotels. Most of the major hotel groups are setting or have set science-based targets in order to reduce their emissions, as have more than 70 percent of our strategic corporate clients. This means that collectively, all of these businesses have stated this ambition to reduce
their footprint in line with the Paris Agreement. It’s a real coming together of business collectively to focus on this single objective.

For hotels, there’s two main mechanisms that exist for them to reduce their scope-one and -two emissions. One is obviously around energy efficiency and energy performance, which is a big focus for us. The second option is how you then decarbonize your energy source. HCMI, the Carbon Measurement Initiative, provides a framework for hotels to calculate and report their emissions, but the CHSB dataset doesn’t provide that mechanism. The question for us is really then about how can we better highlight industry preferences in terms of helping our clients, as well as our businesses, to reduce their footprint by buying this green energy and then making sure that we have the right mechanisms in place to highlight the value and investment that those hotels are making.

**Eric:** This CHSB is in action. You see the advisory group supporting the constant improvement of CHSB. Again, things need to be agreed upon and commonly defined. Things are evolving. When we first did HCMI ten-plus years ago, there was no scope-two protocol and buying renewable energy wasn’t generally allowed. We had to first introduce HCMI 2.0. We now got that in there and that is now acceptable. Now, we do have a metric in a measure which is the percent of energy from renewables.

Starting with this next cycle of CHSB, we’re able to benchmark that. So, there can be a benchmarked metric of the percentage of your hotel’s energy that comes from renewable sources. That’s one of these enhancements that will then have to take, as you mentioned, a bigger role because that metric in itself is ultimately one of the key drivers of decarbonization. That’s where we’re looking to go with CHSB in this next cycle.

**Jeanne:** The next question I have here is for Rishi. I think this is something that a lot of properties and companies face. What are some of the key challenges or obstacles organizations typically face when it comes to collecting and benchmarking sustainability data and how can they be overcome? Maybe an example or two.

**Rishi:** I think this goes back to what Emily said at the beginning—focusing on quality and accuracy of data. For a global organization like us at Wyndham, with hotels in 95-plus countries, that becomes important because you have utility bills in numerous languages, different units of measurement, different sources of utilities, and different sources of energy. We must be able to track what sources of energy are being used, and what unit of measurement they’re captured in. I think the two ways that this can be overcome is first of all, education and awareness. We must continue education, especially when relying on manual entry. We must teach the hotels to read utility bills, and how to input them properly.

The second piece is being open to exploring new technologies. I think leveraging artificial intelligence, leveraging OCR technology to automate some of that, to make it simpler, can definitely help overcome some of these challenges and obstacles that we face as an industry.

**Jeanne:** Emily, I know you have a great question here about all parties. How can all parties that are owning and running hotels—brands, managers—how can they all work better to help meet sustainability needs for the stakeholders?

**Emily:** The biggest thing is, let’s talk. Sustainability teams tend to be a little bit lean at this stage in the game for most organizations. We are all working toward our company goals, but the thing is they are all global goals. We’re all working towards the same thing. So, it really makes sense for us to collaborate more, especially when we’re thinking about management companies and brands and an owner—all of our initiatives feed into our output. So we need to talk about the capital that we’re putting towards these things, and how they can actually fund everyone’s goals. I think
right now probably just the way that sustainability of ESG reporting has really taken off in the past few years is more of a product of resources and teams just not having the bandwidth and capacity. But I think this is just a really important time to start those conversations so that we can all work together. There’s no need for us to be duplicating efforts. I welcome future collaboration events like these.

Jeanne: Eloisa, could you provide your perspective on how as an industry we can be more aligned with our approach?

Eloisa: As I mentioned earlier, I think we really need to align from a holistic perspective as an ecosystem and initiatives like GSTC and the Net Zero Carbon Initiatives are great examples of global industry alignment. I think one of the outcomes of our conversation today is how difficult it is from a hotel chain perspective to have a unified approach and set out the data or hotel clients to decide if a property is or not sustainable. Technology platforms are critical to allow making sustainable choices. From a consumer perspective, we can have a more straightforward vision and really channel the right decisions correctly. I want to again underline the Net Zero Carbon Events as the industry reference for the MICE sector, and from a business travel perspective, GBTA has released excellent guidelines.

Jeanne: Finally, Eric, could you summarize where sustainability data is headed and what you see on the horizon?

Eric: First, on the horizon, one thing I see is that data is going to be more serious—regulated, needing to be audited, verified by looking under the hood (as Emily mentioned above). Second, waste. The biggest focus is on waste data, the myriad of impacts that waste represents—upstream, downstream, guest—everything is going to be a focus. So, we’re going to see a big focus on getting that waste data correct and figure out how to measure it accurately. Third, scope three emissions. The infamous scope three is the combining transversal factor across all industries. A big focus on scope three will include not only the emissions from my own operation’s energy, but the emissions from the stuff I buy upstream and downstream. Fourth, metrics and data on the risks of hotels, climate risk, water risk, all the various risk metrics, with a bigger play toward biodiversity data is going to be a big focus next year. With more understanding that it’s not just carbon, it’s the entire ecosystem we need to focus on and look at metrics for. Then finally, just a bigger use of the data all over where we’re seeing there’s so much more used and requested. It’s going to be a big lift and everybody’s going to be looking at data, more solutions, more providers, more things.

I’ll conclude by pointing to sustainability as an evolving process. It’s a growing pain for data. There is no panacea, there’s no fully automated solution. And it really is, as Emily said, a matter of collaboration, getting together with peers—bodies like GSTC, Sustainable Hospitality Alliance, Net Zero Carbon Events Initiative, even local hotel associations. A lot of the things we’re seeing in Asia work with Singapore Hotel Association, Phuket Hotels Association, coming together at the local level to try to figure some of these things out. There are many positives, but there will be a lot more work needed on data going forward as it gets more serious.

Jeanne: I just want to say thank you so much for providing all of this information. Again, for the CHSB information, you could go to the eCommons website. We’ll have that link up also on the registration page for more information. Once again, Tom, Elisa, Rishi, Emily, and Eric, we appreciate your time so much and all the great work that you’re doing that is so desperately needed.
ABOUT THE PANEL CHAIR

Jeanne Varney is a lecturer at Cornell’s Nolan School of Hotel Administration. She resides in the property development and management department, where she is responsible for the curriculum in Hospitality Facilities Management, Hospitality Asset Management, Sustainable Development, and Introduction to Sustainable Hospitality. In Hospitality Facilities Management, she combines the technical facilities curriculum with a practical management perspective. In Hospitality Asset Management, she examines the broad range of issues faced by hotel ownership groups requiring asset management oversight and analyses, and how to influence results that meet ownership objectives.

In Sustainable Development, she leads students through the principles, methodology, and strategic application of green hotel development and practices in an engaged learning environment. In Introduction to Sustainable Hospitality Principles, she guides students through the implementation of tactical green principles, policies and practices.

Outside Cornell, Varney is a principal with Olive Hospitality Consulting, where she provides practical sustainability solutions to businesses looking to improve the “triple bottom line” for their organizations. She has more than 20 years of real estate, operations, and sustainable hospitality experience. Prior to establishing Olive Hospitality Consulting, Varney was vice president of asset management at Host Hotels and Resorts, administering the full range of ownership responsibilities, including operational and capital expenditure budgeting, ongoing operational reviews, and long-term strategic planning for the properties. Varney previously held positions with Marriott International Corporate Headquarters and Horwath Landauer Hospitality Consulting, as well as positions with the Ritz-Carlton Hotel Company and Four Seasons Hotels and Resorts.

In addition to her professional duties, Varney is an international past president for NEWH, Inc. and is a founding member of the NEWH Sustainability Committee. She is also a member of U.S. Green Building Council, Sustainable Hospitality Council, Cornell Real Estate Council, and Cornell Hotel Society. Varney holds an MBA from the George Washington University and a BS degree in hotel administration from Cornell University.
Eric Ricaurti is Founder and CEO of Greenview. He founded Greenview as a boutique firm specializing in the metrics, measurement, and reporting of carbon and other sustainability performance indicators within travel & tourism. He is a frequent speaker, organizer, researcher, and generally ubiquitous character in the topic of sustainability measurement. Eric began his career canoeing people through the jungle. He spent 10 years working in ecotourism across Costa Rica, Mexico, and Brazil in operations and as a consultant. He started out managing eco lodges and nature park operations, and then naively decided to go on his own as an independent consultant. Eric built his client list to include hotels, parks, nature & cultural tour operators, receptive tour companies, and eventually destinations. During this time, he went 6 years straight without wearing a tie and his entrepreneurial ventures included co-owning a failed speedboat & outrigger canoeing tour business in Bahia, Brazil.

Throughout these formative years Eric spent plenty of time in forests and parks, and became fascinated with the concept of carbon sequestration for value it placed on nature and the opportunities it provided for conservation as well as tourism. He started researching the topic in 2001 and won a student research award at Cornell University for his paper titled “Carbon Offsetting, Trading, and Sequestration and their Relation to Travel & Tourism.” Fast forward 10 years later, as a research fellow at Cornell, Eric authored the study “Developing a Sustainability Measurement Framework for Hotels: Toward an Industry-wide Reporting Structure” and was selected as the technical consultant to facilitate the development of the methodology for the Hotel Carbon Measurement Initiative.

Throughout his career Eric has consulted globally for hotel properties; hotel companies; REITs; hospitality vendors; tourism operators, attractions and complexes; cruise lines; the UNWTO, WTTC, and AHLA; event organizers; and tourism destination organizations. Eric earned a Bachelor of Science degree from the Cornell University School of Hotel Administration and a Master of Science degree in Tourism & Travel Management from New York University.

Eric is a member of the UFI Committee on Sustainable Development, the International Standards Working Group of the GSTC, and on the judging panel of the HICAP Sustainable Hotel Awards. He has held a research fellowship at the Cornell University Center for Hospitality Research and been an adjunct instructor at the NYU University Tisch Center for Hospitality and Tourism. Eric is an active board member of the Orphaned Starfish Foundation. In his spare time, Eric still hangs out in forests and has enjoyed playing Capoeira for over 12 years.

Tom Mallet is a sustainability/ESG professional with 10+ years of consulting and corporate experience working in the public and private sector. Tom is currently the Global Director of Decarbonisation and Sustainable Performance at Accor Group. Since 2019 he has been responsible for developing and leading the implementation of Accor’s 1.5 degree Paris-aligned climate and energy strategy. Accor is recognized as climate leader by ratings providers including CDP. Tom is a member of and contributor to various hospitality industry sustainability initiatives with WTTC, CHSB, Sustainable Hospitality Alliance and the Net Zero Methodology for Hotels.

Tom is also the President of the International Platform for Insetting, a member-based not-for-profit focused on advancing corporate value chain engagement that delivers positive impacts for the environment and communities.
Eloïsa Urrutia Monnot is Head of Sustainability Strategy and Solutions, American Express Global Business Travel. With over 15 years of experience in the Corporate Travel & Events Industry, Eloïsa heads up American Express Meetings & Events’ global sustainability strategy, helping organizations transition to sustainable business models and reduce the environmental impact of their travel and events’ programs, and building on competitive advantage through positive impact. She actively participates in key industry initiatives and associations to help drive the net zero journey and foster collective action across the industry’s ecosystem and wider economy. Eloïsa holds a BA in Economics and Business Administration, an MBA in Foreign Trade and a PG Cert in Sustainability Leadership. She is half French/Spanish, has lived and worked in various countries and currently lives in Spain.

Rishi Shah is the Senior Director of Sustainability for Wyndham Hotels and Resorts. Before this role, Rishi ran his own consulting firm, where he assisted hotels and other commercial properties with the development and implementation of energy strategies and operational best practices. Rishi also spent 10 years working with his family’s hotel business. Rishi holds a Bachelor of Arts in Economics from Cornell University and an MBA from Babson College.

Emily Smith serves as Senior Director of Investor Relations and Corporate Responsibility for Park Hotels & Resorts. The company owns 46 premium-branded hotels and resorts with over 29,000 rooms located in prime U.S. city center and resort locations with high barriers to entry. Ms. Smith is involved in investor relations, external communications, ESG program oversight and risk management, including resiliency to climate change. Ms. Smith previously served as Director of Investment & Portfolio Analysis for RLJ Lodging Trust. Prior to RLJ, Ms. Smith worked for the global hotel consulting firm HVS in New York. Ms. Smith received her undergraduate degree from Tulane University and her master’s degree from the Conrad N. Hilton College of Hotel & Restaurant Management at the University of Houston.
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