Advice Features

The need for transparency for all stakeholders

Lewis Catchpole • 6 hours ago 4 minutes read

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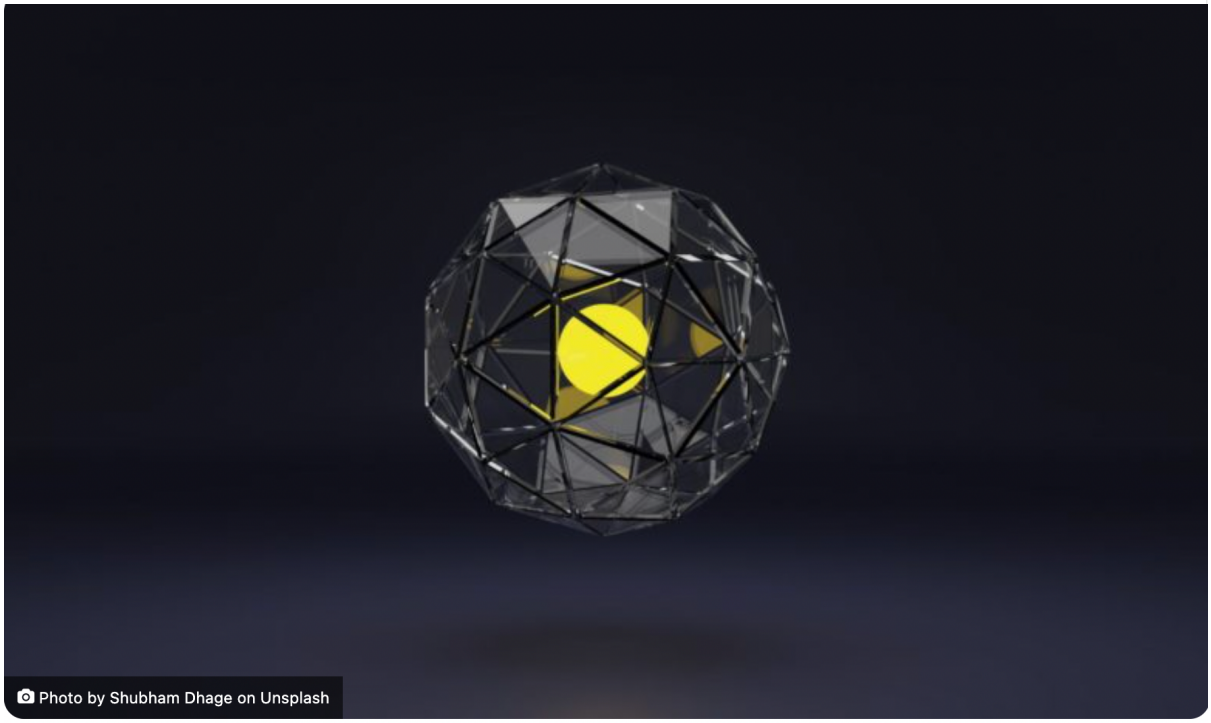

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In the past decade, consumer consciousness and worldwide concern have increased in tandem with the growing severity of the climate crisis. Sustainability is seen as crucial to the success of businesses across industries, but there is scepticism about who is telling the truth and being ethical, accountable and transparent.

The 1987 Brundtland Report, also known as Our Common Future, defined sustainability as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". The United Nations (UN) made it a critical part of its economic development policy, but it remains voluntary and open to more than one interpretation; and obscure regulations leave room for companies to hype their communications and marketing campaigns.

Do hotel companies really do what they say they do?

Hotel brands are being scrutinised by their employees, investors, customers, suppliers, media, marketing representatives and tourism partners – all stakeholders attuned to greenwashing and misleading, unsubstantiated claims about the social and environmental benefits of a product, service, or a company. Hotel brands breed mistrust when they don't adhere to the UN's sustainable development goals (SDGs) or, worse, that exploit the term 'eco' to attract customers unethically without taking responsibility for their total impacts on communities and the environment. It also makes it difficult for stakeholders to differentiate between the companies that are being authentically sustainable and those that do not live up to their claims.

The Global Code of Ethics for Tourism (GCET), initiated by the United Nations World Tourism Organisation (UNWTO), refers to 'advertising in an ethical way' which means not overpromising and misleading customers to boost a hotel's sales. It also refers to fundamental transparency, such as 'objective and honest information' that should be provided by tourism suppliers about their destinations and the conditions of travel, hospitality and stays.

However, every brand within the tourism and hospitality industry creates its own procedures and standards, and each of these companies promotes experiences that are designed to heighten emotional engagement on the part of the consumer. It is this sector of the industry, in particular, that requires clearly defined values and oversight from a brand custodian with integrity to ensure transparency and ethical practices.

Pledges, trust and credibility

In November 2021, during COP 26 in Glasgow, more than 300 hotel and tourism companies and destinations signed the Glasgow Declaration for Climate Action in Tourism and pledged their ambitions to significantly reduce emissions and be Net Zero as soon as possible before 2050. Nevertheless the gap between pledges and action with accountability and transparency is still vast, as can be seen from what the top 10 largest hotel groups are doing here.

Integrity matters

Research groups and media are increasingly stepping up to expose the hype in the battle against greenwashing:

- In 2021 research from three leading universities [can we take 2021 out of the link and insert a comma] assessed the trustworthiness and assessed the misleading communications of 37 airlines on voluntary carbon offsets.
- A Bloomberg News article published July 19, 2022, The Hotel Industry's Carbon Lie, exposed hotels and hotel groups that are making big claims about net-zero carbon emission.

At the COP27 climate conference in Egypt in November 2022, the report released by the UN slammed greenwashing and weak net-zero pledges amid concerns about "a deficit of credibility" around corporate climate claims.

Impactful ways to be transparent and sustainable

To build relationships and stakeholder trust, take the time to be transparent: outline reasons behind decisions and actions; be open, respectful and receptive to feedback; and communicate honestly and directly with consistency.

Work collaboratively with reputable organisations; develop a sustainability policy; conduct a sustainability survey and ask for stakeholders' feedback; implement an action plan focused on long-term thinking; demonstrate and report tangible progress with science-based targets; have an independent expert audit; use engaging tools that provide credible information to gain the support of all stakeholders.

Acting in time

As of January 1, 2023, the Climate Clock shows that we have six years and 201 days left in our carbon budgets, the 'deadline' when our world must reach zero emissions to limit global warming to 1.5° Celsius. This is the critical timeline for science-based targets in a hotel's Sustainability Action Plan.

Net Zero is 'too little too late' according to leading scientists and we must do better by aiming to be Climate Positive (better than Net Zero) to ensure a rapid and just transition to a safe climate and regenerative future.
Reaching Climate Positive before our carbon budget runs out will be a challenge for most hotels, but it is doable and can be made easier with credible partners [just make credible partners the link] that provide a rigorous, science-backed sustainability program and certification, training that builds capacity, tools and reporting, an independent expert audit, communication tools for transparency to engage all stakeholders, and full funding support for all these, if required.

Mandating transparency

In the past decade, growing public demand for transparency from businesses increased Sustainability Reporting. Mostly state-owned companies and large corporations were encouraged to submit reports, but they were not compulsory or audited by an expert which has been a matter of heated debate in many countries.

On November 28, 2022, the EU Council passed into law the Corporate Sustainability Reporting Directive (CSRD) with the aim of making businesses more publicly accountable and transparent, end greenwashing, strengthen the European Union's (EU) social market economy and lay the groundwork for sustainability reporting standards at a global level. This mandatory sustainability reporting includes established deadlines for large corporations and SMEs, which includes hotels and resorts.

Reputations are now at stake for all hotel brands that still greenwash, deploy unsustainable practices, and violate human rights. For businesses wanting to protect their reputations and maximise their potential, it is vital to be sustainable with accountability and transparency to stay ahead of new laws.

About the author

Alexa Poortier is the Founder of It Must Be NOW, a leadership platform and facilitator that exists to help hospitality companies, tourism facilities and educational establishments to advance sustainability, meet reporting obligations and achieve Climate Positive with accountability and transparency.