

# Discovering Sustainable Tourism

## *Generating long-term positive effects*

Topic of the month September 2013

*The tourism industry is flourishing worldwide, supported by falling travelling costs and increasing disposable incomes of many people. There are almost endless options to go on trips to explore other countries and cultures. Given the sensitivity of tourist destinations – especially in underdeveloped regions and natural environments – sustainable tourism is very important.*

*This issue by Inrate points out the leverages that exist for stakeholders in the tourism industry, to foster long-term positive effects on the economy, local society and the environment. Furthermore, Inrate displays the sustainability performance of different stakeholders of the tourism industry. Which are the most sustainable options for tourists to choose from? Our two German travelling protagonists, Goethe in the 18th century and the fictitious Hermann in 2013, give it a try – and, as you will find out very soon, they are very differently successful with it.*

### **Sustainable Investing at a Glance**

**N**ot only thanks to German travelers has the tourism industry showed a growing trend. With increasing incomes, tourist expenditures increase even at faster rate than income. In contrast to many primary products, whose share in world consumption might decrease (UN 2013). The tourism sector has also shown to be less volatile than commodity revenue (Maloney and Montes Rojas, 2001), although hit by a series of incidents such as international terrorism, political instability, SARS and natural disasters. Tourism also brings much-needed foreign exchange, which allows developing countries to finance the import of capital goods and raw materials required for the economic development and diversification of their economies. Furthermore, tourism is a more diverse industry than many others, and as such has the potential to create income throughout a complex supply chain of goods and services (UN 2007).

Given these characteristics (see also Facts & Figures on next page) it is only natural that international tourism is one of the key industries selected by developing countries to drive economic growth. Hardly surprising also, considering the sector's potential to harness natural, cultural, and historical assets. Furthermore, the core of tourism is human capital – which is widely available in developing countries (CGGC 2011).

The growing importance of tourism activity in developing countries, however, faces the sensitivity of these economies. There is always the risk that negative effects of tourism overhaul the positive ones in the long run. On islands such as Tahiti or in the Caribbean, increased tourist flows create shortages with negative effects on the local population, for example increases in food prices, lodging problems or problems with water supply. Moreover, the local population does not always benefit from tourism revenues, because often a large share of the price that tourists pay for their holidays goes to multinational companies that own the airlines and run the hotels (UN 2007).

In 1786, the German „Sturm und Drang“ author Johann Wolfgang von Goethe experienced a personal crisis. He wanted to escape from his boring life and unsatisfactory relationship. So one night he broke up to an unknown destination without saying goodbye. After having passed Verona, Vicenza and Venice, Goethe finally reached the Italian capital of Rome in November.

Even today many of Goethe's countrymen feel a strong desire to travel. With per capita spending of 1023 US-dollars per year on holidays, Germany ranks second behind Australia, far ahead of many EU members. Also Hermann, who in 2013 is reading a book about the German wanderlust, becomes unstoppable, and via the Internet he books a last minute flight to the Maldives.



## Facts & figures of the tourism industry – growth & dynamism over the past years

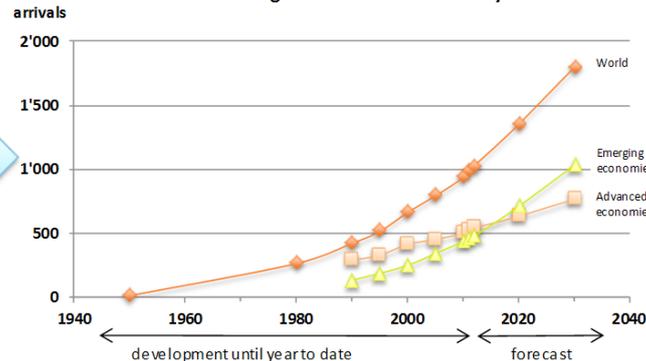
Tourist movements have increased and spread geographically to reach practically all countries worldwide. The combination of domestic and international tourism is now acknowledged as comprising the world's "largest industry"



### Positive influences on the tourism industry

- Expansion and diversification of options of touristic activities
- Rising household incomes in emerging markets, fuelling leisure activities
- Growing international trade
- Less expensive and easier travelling opportunities

### Worldwide growth of tourism industry



### Positive effects of growing tourism

- Driver of socio-economic processes
- Creation of jobs and enterprises
- Infrastructure development

### Outcomes

- 9 % of global GDP and 3.2% of GDP growth in 2012
- 30% of global service exports
- 6% of the world's exports
- 235 million jobs worldwide in 2010, that is every 11th job
- Women make up 60 to 70 % of the labour force, and half of the workers are aged 25 or younger



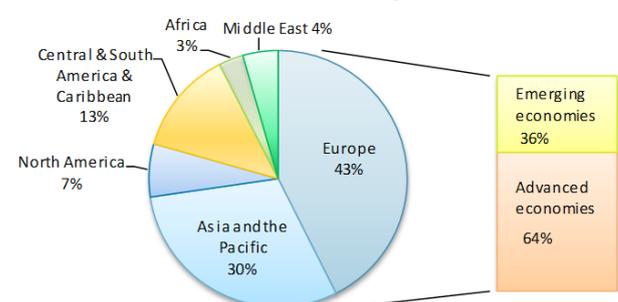
According to the World Travel & Tourism Council, the countries with the highest growth rates in travel and tourism in 2011 were all emerging markets or developing countries:

- |            |     |
|------------|-----|
| • Uganda   | 17% |
| • Thailand | 16% |
| • Uruguay  | 15% |
| • China    | 14% |
| • Namibia  | 13% |
| • Turkey   | 13% |

On the other hand, the countries with highest number of tourist arrivals and tourist receipts are advanced economies, led by the USA, European countries, Macao, Hong Kong and Australia.



### Market share of international tourism receipts in %



Sources: Inrate 20013, based on UN 2013, UN 2009, UN 2007, UNEP 2005

Given this huge global relevance of the tourist sector, the sustainability performance of tourism is especially important. But what, actually, is sustainable tourism? The World Tourism Organization (WTO-OMT) defines it as follows: *“Sustainable tourism development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems.”*

In other words, sustainable tourism can produce the same profits as conventional tourism, with the difference that more of these profits stay with the local community. Besides, it helps to protect a region's natural resources and culture. As a result, sustainable tourism brings along benefits or opportunities for the future in a long-term perspective. Sustainable tourism deliberately seeks to minimize the negative impacts of tourism, while contributing to conservation and the well-being of the community, both economically and socially (UN 2013).

The following table lists the opportunities that may arise from tourism, but also the risks posed by non-sustainable tourism to local economies, societies and the environment.



Sustainability issues of tourism – risks and opportunities for the three dimensions of sustainability		
	Opportunities (+)	Risks (-)
<b>Economic aspects</b>	<ul style="list-style-type: none"> <li>• Poverty alleviation, local prosperity, economic development</li> <li>• Development of infrastructure (roads etc.)</li> <li>• Economic stability, foreign currencies</li> <li>• Tourism that makes use of products and services produced by the domestic economy has strong linkages to other sectors such as agriculture, fisheries, manufacturing and construction, which will strengthen those sectors and provide additional income</li> </ul>	<ul style="list-style-type: none"> <li>• Unequal distribution, local population does not benefit from tourism</li> <li>• Injuring local economic structures, increase of food and housing prices</li> <li>• Tourist activities without linkages to other sectors may lead to hidden costs for the country</li> </ul>
<b>Ecological aspects</b>	<ul style="list-style-type: none"> <li>• Support for protection and conservation of biodiversity and landscapes</li> <li>• Economic justification to the concept of protected areas</li> <li>• Economic alternatives to the exploitation of wildlife resources for local people</li> <li>• Efforts on international level, e.g. the Convention of Biological Diversity (CBD) that has established guidelines for sustainable tourism in vulnerable terrestrial, marine and coastal ecosystems and habitats.</li> </ul>	<ul style="list-style-type: none"> <li>• With increasing air travel, CO<sub>2</sub>-emissions of the tourism industry will increase</li> <li>• Interaction with climate change: tourism is not only a contributor to climate change but will also suffer from its consequences</li> <li>• Pressure on land and natural landscapes to provide space for tourism may lead to deforestation and loss of wetlands</li> <li>• Landscape damages by mass tourism</li> <li>• Tourism tends to be extremely water-intensive: Pressure on freshwater and marine resources</li> <li>• Increase of waste especially problematic if only inadequate waste disposal facilities exist</li> </ul>
<b>Social and cultural aspects</b>	<ul style="list-style-type: none"> <li>• Labour-intensive industry: It provides job opportunities that demand a range of skills from low to high</li> <li>• Employment opportunities for minority groups: Entry into the tourism workforce is comparatively easy for groups that are often not asked by other labor markets, like migrant workers, women and young people</li> <li>• Employment conditions (health, safety, and security) improve with increasing influence from developed countries and organisations like the International Labour Organization (ILO) and NGOs.</li> <li>• Cultural exchange, respect for and protection of historical sites etc.</li> <li>• Force for the conservation of historic and cultural heritage as well as traditional lifestyles that may serve as tourist attraction</li> <li>• Stimulation of arts, crafts and other creative activities within communities</li> </ul>	<ul style="list-style-type: none"> <li>• Many jobs are just seasonal or temporal and therefore do not provide stable incomes for employees</li> <li>• Sometimes a too high share of unskilled and semi-skilled jobs and poor employment conditions</li> <li>• Loss of cultural identity due to foreign influences</li> <li>• sex tourism</li> <li>• Disrespectful behaviour, noise and littering of tourists</li> <li>• Problems of water supply for the poor local communities in case of shortages</li> </ul>

Sources: Inrate 20013, based on UN 2013, UN 2009, UN 2007, UNEP 2005

In the tourism sector itself, awareness about sustainability issues has developed significantly over the past 30 years. Different organizations have the objective to engage in an efficient manner towards a new decade of international support for sustainable tourism development.

Their roles can range from spearheading sustainable tourism practices, to simply doing research in order to foster knowledge and understanding of sustainable tourism practices. Organizations, initiatives or roundtables that are currently active at an international level to foster sustainable tourism are listed below:



### **Global Sustainable Tourism Council (GSTC)**

GSTC is the international body for fostering knowledge and understanding of sustainable tourism practices. It has worked out the “Global Sustainable Tourism Criteria”. Any tourism business or destination having sustainable development as an aim should aspire to reach these guiding principles and minimum requirements.

### **UN Steering Committee on Tourism for Development (SCTD)**

The UN Steering Committee on Tourism for Development (SCTD) brings together the tourism-specific experiences and state-of-the-art tourism expertise of each of its members. In particular, it assists Least Developed Countries to develop a tourism sector committed to national growth and local benefits.

### **Tour Operators Initiative (TOI)**

The Tour Operators’ Initiative for Sustainable Tourism Development unites tourism stakeholders from around the world to promote the development, operation and marketing of tourism in a sustainable way. It is voluntary, non-profit, and open to all tour operators. With this initiative, tour operators commit themselves to the concepts of sustainable development as the core of their business activity and to work together.

### **Tourism Sustainability Group (TSG)**

The TSG was set up by the European Commission in the end of 2004 in order to provide input to the sustainability of European tourism. The Group’s members are individuals from international bodies, member state governments, regional and local authorities, the tourism industry, professional bodies, environmental organizations, trade unions as well as research and educational bodies. In 2007, the TSG formulated its proposals and recommendations in a report with recommendations for action.

### **Sustainable Travel International (STI)**

STI is a non-profit organization and has been founded in 2002, the year of Ecotourism. It collaborates with destinations, businesses and travelers to implement innovative sustainable tourism development and conservation solutions.

### **International Centre for Responsible Tourism (ICRT)**

The ICRT is a community of tourism practitioners in business, government, NGOs, conservation and heritage. It works with governments, tour operators and accommodation providers in destinations around the world to realize the principles of the Cape Town Declaration. (The Cape Town Conference was organised by the Responsible Tourism Partnership and Western Cape Tourism as a side event preceding the World Summit on Sustainable Development in Johannesburg in 2002.)

At their departure, both travelers – Goethe in 1786 and Hermann in 2013 – had no idea of what sustainable tourism means. Yet Goethe, who travelled mostly by stagecoach or on foot, behaved in principle sustainably, his trip was not polluting. Since he also tried to travel incognito, he was practically forced to adapt to local customs and traditions, and to respect them.

Hermann, however, would have arranged his trip a bit more sustainably, if only he had informed himself in advance about the multiple benefits of sustainable tourism. Arrived at a luxury hotel, he is annoyed that only Europeans are in sight and he got to eat pork knuckles. He would actually rather like to meet local people and support them. But what could he have done differently?



### **Along the value chain of tourism, sustainable options are available**

According to recent studies, tourism can be made sustainable if it is deliberately planned from the beginning to benefit local residents, respect local culture, conserve natural resources, and educate both tourists and local residents (UN 2013). But where are the people responsible for that planning that should be done deliberately? And who is aware of what's best for local conditions?

Unlike most other sectors, the consumer of tourism – the tourist – travels to the producer and the product. Therefore, on the demand side, the tourist himself can choose how his trip has to be configured, i.e. where to go, which means of transport to use, what kind of accommodation and which excursions he wants and so on. Opportunities to choose emerge basically from every step of the value chain of tourism (see grey box). The tourist is therefore directly able to pick the most sustainable options.

On the other hand, there are options of sustainable tourism products and services on the supply side. Responsible actors along the value chain of tourism, such as travel agents, transportation providers, hotels and resorts offer such products and services.

A major difficulty for sustainable tourism is the fact that there is often limited knowledge about which tourism product and services are the most sustainable ones. So even if a tourist tries to be as good informed as possible, it is difficult for him to choose the most sustainable option, because the preconditions of different tourism regions strongly vary. On the other hand, also suppliers of tourism products and services face the difficulty of insufficient information and knowledge about sustainability.

#### **The global value chain of tourism**

International and domestic tourists are the trigger or “input” for the global tourism value chain. Other than in production-based value chains, distribution is the first segment. Travel agents and tour operators, who offer travel arrangements, are the main distribution intermediaries. Tourists can also bypass intermediaries and book their trip components directly, e.g. by use of online booking systems, which became increasingly common in recent years. Depending on their preferences, tourists choose an appropriate mean of transport and accommodation, options range from the low-budget to the luxury version.

Once arrived at destination, tourists engage in a number of excursions like snorkeling, sailing, or surfing for beach tourists, which are the local activities representative of the tourism product and the natural assets of the destination. Excursions are provided by excursion operators and local guides. Furthermore, most tourists are engaged in shopping at destination or during transit, e.g. during visits of local bazaars or artisanal centers.

But how does the value chain of Tourism look like?

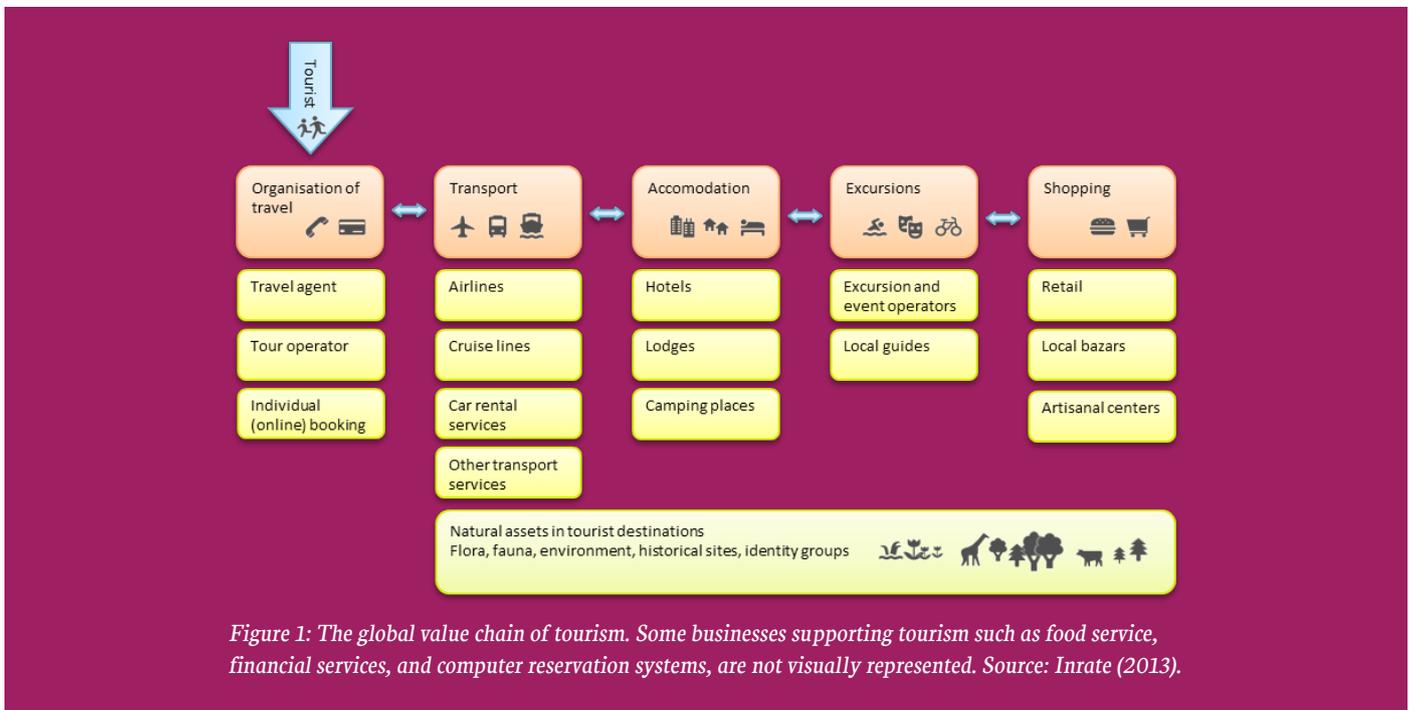


Figure 1: The global value chain of tourism. Some businesses supporting tourism such as food service, financial services, and computer reservation systems, are not visually represented. Source: Inrate (2013).

### Air transportation is the fastest-growing source of greenhouse gases – but not the worst one

Choosing the means of transport is one of the first parts, whenever a holiday is planned. As an integral part of the tourism industry, the dynamics of the transportation sector is simultaneously a major cause and a very important effect of the growth in tourism: Tourism has expanded due to the improvement of transportation, as tourism cannot thrive without travel.

Recent statistics recognize tourism as contributing 5% to total global CO<sub>2</sub>-emissions (UNWTO/UNEP/WMO 2008), and 90% of these total greenhouse gas emissions are related to transportation (Howitt et. al 2009). Regarding the fact that tourism accounts for 9% of global GDP (WTTC 2013), the CO<sub>2</sub>-intensity of the tourism industry (i.e. CO<sub>2</sub>-emissions per turnover) seems to be rather low at first sight. However, when taking into account the strong dynamics and rapid growth of the tourism sector, especially the projections of around 5% annual growth in air travel (Boeing 2005), the worldwide tourism industry bares the risk to become much more CO<sub>2</sub>-intensive in future.

Air transportation is at the time the fastest-growing source of greenhouse gases. Especially low fares for flights have led to an increased number of people choosing the airplane, allowing them to travel far more cheaply over long distances than by rail or road. Growth rates of international air traffic are pegged with growth rates of international tourism (Rodrigue 2013). From an environmental perspective, this trend is rather regressive, because aviation is well-known as being carbon-intensive. But even if you choose to fly, there are ways to reduce your impact by choosing an airline that implements fuel efficiency measures and other initiatives to reduce its impacts.

There are many ways CO<sub>2</sub>-emissions of flights can be reduced, e.g. by avoiding routes with stopovers (because during take-off and landing the highest emissions occur), by choosing efficient planes and maximum seating in combination with high load factors etc. (atmosfair Airline Index 2012).

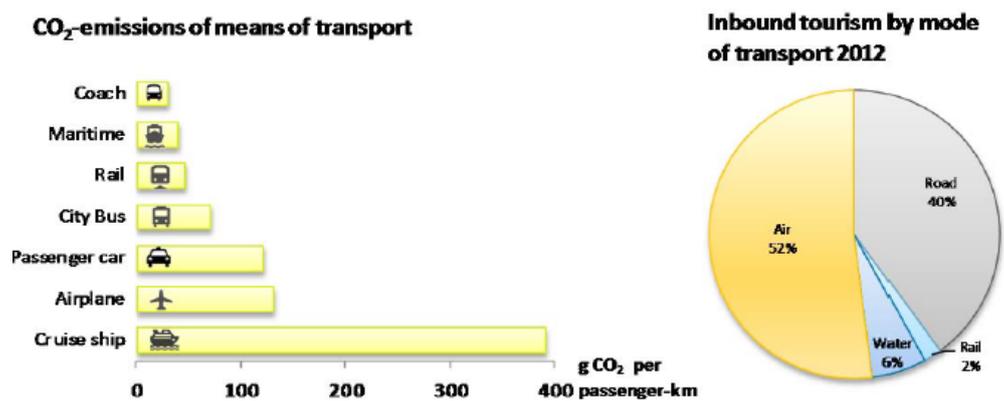


Another option is to offset the CO<sub>2</sub>-emissions of the flights by buying CO<sub>2</sub>-certificates of carbon offset projects. Such projects are rather controversial - opinions of experts about their effect range from “cleanse of sin” to “effective, and economically the best solution”. Therefore, carbon offsetting can only be considered to be the second-best solution to the option not to fly at all. Still, the support of carbon offset projects can at least contribute to sustainable development in the project regions, which are often developing countries.

On a beautiful day at the beach, still frustrated with his wrong decision, Hermann surfed with his tablet on the internet. So he came across a YouTube video about the high CO<sub>2</sub>- emissions of aircrafts. Even more frustrated that not even for travelling he had chosen the best - that is the most sustainable - option, he decided not to take his flight back home. Instead, he extended his vacation and booked a travel by cruise ship back to Germany.

But how does it actually look, if one decides to take a long-term journey on a cruise ship? According to the study from Howitt et al., cruise ships exhibit an emission factor of 390g CO<sub>2</sub> per passenger km. This is approximately three to four times more than emissions factors of aircrafts. The huge carbon intensity of cruises is a not well-known fact: The misconception of the carbon impact of cruise vessel may arise due to the shipping of international cargo, which is by far less carbon-intensive than air freight (Howitt et al. 2010). But compared to freight and passenger transportation by airplanes, cruise ships are not very densely packed. The space needed per passenger is huge and very often the cruise trips are not fully booked. In addition, cruise ships entail additional greenhouse gas emissions from included services such as accommodation and leisure activities. For example, the energy use of the “hotel function” in a cruise ship is about five times higher than the average energy use for the most luxurious of onshore hotels per visitor night, which would include many of the same amenities as a large cruise vessel, such as swimming pools, casinos, gyms and restaurants (UNWTO/UNEP/WMO 2008, Howitt et al. 2010).

Nevertheless, cruise shipping has become a significant tourist industry. Big cruisers are like floating resorts where guests can enjoy luxury and entertainment while moving towards their destinations. For that reason tourists spend most of their money on the cruise ship itself (gift shops, entertainment, casinos, bars, etc.) or on island facilities owned by cruise shipping companies. Thus, the potential positive impacts of cruising on the local economy are mitigated as the strategy of cruising companies is to retain as much income as possible with them (Rodrigue 2013). The development of the cruise shipping industry may therefore lead to a disadvantage for some traditional tourism regions, as tourists spend most of their money on the ship.



Source: Inrate (2013), based on data from European Environment Agency / UNWTO 2013: UNWTO Tourism Highlights, 2013 Edition.



## Hotels are very large consumers of resources

The hospitality industry spends 3.7 billion USD a year on energy and a typical hotel uses 826 litres of water per day per occupied room. For that reason, whether staying for a weekend or longer, it is very important that the accommodation takes efforts for reducing its environmental impacts and strives for environmentally conscious businesses whenever possible.

Especially when travelling in developing countries, it is important that the hotel, lodge or other accommodation has a positive impact on the local supply chain and local people. Money generated by tourist hotels does not always benefit the local community, as some of it leaks out to huge international companies that do not integrate local communities into their business. Sustainable businesses on the contrary hire employees from neighboring towns, pay them fair wages, and offer them additional training to develop the needed skills.

But how can tourists know what accommodation is sustainable? Many hotels have demonstrated their commitment to sustainability by participating in a sustainable tourism certification or verification program. Certification is a mechanism for ensuring that the accommodation meets certain standards (*RESET 2013*). This means that they have been audited by an independent, third-party program and have met a set of environmental, social, and economic criteria (*SustainableTrip 2013*). Even without providing such certifications, accommodation providers can take action to prevent unnecessary energy and water consumption in hotel rooms, e.g. by providing automatically regulated air conditioning, and limited water availability in case of scarcity. However, if there is not much information available on those issues, the best choice a tourist can pick are often locally-owned hostels and lodges.

## Inrate shows: companies in the tourism industry foster sustainability

Inrate has developed a method, the Inrate Sustainability Assessment (ISA), which measures the environmental and social impacts a company has through its products and practices, as well as the company's willingness and ability to effectively address the related sustainability issues it faces.

First of all, the ISA analyzes the environmental and social impacts of the products and services provided by the company, taking into account every step on the value chain from manufacturing to disposal.

For each activity of the company, most relevant sustainability issues are defined. For companies that are active in the tourism industry, relevant sustainability issues are for example overall fuel consumption of the airplane fleet operated (efficiency), working hours and overtime of employees, impact of tourist operations on local communities, as well as customers' safety.

In a next step, Inrate analyses the measures a company has taken to mitigate the impacts of its activities. The measures can be categorized in policies, commitments, targets, initiatives, and improvement programs.

Two years after his disappearance, Goethe returned to Germany. He told of the troubles of his journey, but also about the fascinating beauty of the country and the culture that needs to be protected.

Hermann, however, back home after a full month of holidays, notes with horror that he has actually experienced nothing unusual in the two weeks on the cruise ship – except maybe the incredibly beautiful sunsets over the sea. Therefore he rather tells his friends about his latest interests for sustainability. Based on studies of the rating agency Inrate, he recently found out that sustainability criteria can be considered not only in tourism but virtually in every economic sector – and that different companies apply them quite differently...



Apart from the specific sustainability issues, generally important criteria to foster a sustainable development are considered during the ISA-process as well, for example the company’s environmental and social management, including energy consumption and water and waste management, as well as labor conditions and health and safety management of employees.

In this respect, controversial and unethical business practices are considered as well. Information used in the rating process stem from the companies’ own reporting as well as from external sources, and are carefully analyzed and assessed according to the ISA methodology.

The result of the ISA is an absolute grade of the sustainability performance of the company on a scale from A+ to D-:

<b>A</b>	A+ A A-	<b>Sustainable or helping transition towards sustainability</b>	With its products and business practices, the company contributes to the reduction of social and /or environmental effects. The Company contributes to a long-term sustainable economy.
<b>B</b>	B+ B B-	<b>On the path to sustainability</b>	The activities of the company are compatible with an overall long-term sustainable economy, but not all products or business practices meet the requirements to reduce negative social and environmental impacts. However, the company shows the willingness and ability to improve its sustainability performance.
<b>C</b>	C+ C C-	<b>Not sustainable, but with diminished impact</b>	The company’s activities are currently not sustainable. Its products or business practices negatively affect society and the environment. However, the company shows willingness and a certain ability to improve its products or business practices to make them more sustainable.
<b>D</b>	D+ D D-	<b>Not sustainable</b>	The activities of the company are not sustainable. The company’s products or business practices have serious negative impacts on environment and society. The company is not capable or does not show willingness to reduce these burdens.

Amongst the series of players in the tourism industry which are assessed by Inrate’s sustainability assessment (ISA) you will find Qantas Airways, Royal Caribbean Cruises Ltd., Kuoni Group, TUI Travel, Accor and Starwood Hotels & Resorts Worldwide.

They are listed in the table on the next page with final grades given by Inrate. You also find the issues considered and a short description of the companies’ most important characteristics from a sustainability perspective.



Inrate Sustainability Assessment (ISA) of companies in the tourism industry				
Company name	ISA-grade	Category	most relevant issues considered	Features of the company regarding the issues
Qantas Airways Ltd	C	Airline	<ul style="list-style-type: none"> <li>Efficiency of overall fuel consumption of the airplane fleet</li> <li>Security of service provision</li> <li>Environmental optimization of service provision</li> <li>Labour conditions of employees</li> </ul>	Airlines in general are responsible for high amounts of greenhouse gas emissions. Qantas recognizes fuel efficiency as a major part of its environmental improvement strategy. One highly effective way of improving fuel efficiency is by investing in new generation fuel efficient aircraft. In 2012, 2/3 of long-haul flights are serviced by modern planes. When it comes to seating in airplanes, there's room for improvement for Qantas because the company generally maintains low load factors, especially on mid- and long-haul flights, which lead to higher CO <sub>2</sub> -emissions per passenger-kilometer.
Royal Caribbean Cruises Ltd	C	Cruise lines	<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Ballast water discharge</li> <li>Water pollution (blackwater, greywater, bilge water)</li> <li>Solid waste</li> <li>Exhaust emissions</li> <li>Wages and working hours (overtime)</li> </ul>	Royal Caribbean Cruises has set quantitative targets to reduce its greenhouse gas footprint. To reduce the fuel consumption of its ships the fleet began route optimization for all vessels in 2011, to maximize their efficiency in travelling to and from ports on their itineraries. However, as a cruise operator, operating on all seven continents, the Royal Caribbean Cruises Ltd's environmental impact is high, particularly because it is responsible for high levels of CO <sub>2</sub> -emissions per kilometer travelled by customers.
Kuoni Group	B	Travel services	<ul style="list-style-type: none"> <li>Greenhouse gas emissions of products</li> <li>Impact of tourism on local communities</li> <li>Wages and working hours (overtime)</li> <li>Customers safety</li> </ul>	Kuoni encourages its clients to voluntarily offset CO <sub>2</sub> emissions caused by air travel, offering them the opportunity to participate in the financing of projects aimed at reducing CO <sub>2</sub> -emissions in destination areas. Furthermore, Kuoni offers travel arrangements per railways through its subsidiary company "Railtour". To help its partner hotels play their part in protecting environmental resources, Kuoni has been conducting a series of workshops in collaboration with local partners.
TUI Travel	B-			On demand, TUI TRAVEL supports its customers to book more sustainable holidays. Furthermore, it is working with communities in destinations around the world to mitigate negative impacts of tourism. Besides travel agencies, TUI TRAVEL owns hotels, airlines, cruise ships and retail stores. For that reason, travel arrangements are mainly flight-based, and the company offers also a lot of cruise holidays, which have a high environmental impact.
Accor	B+	Hotels	<ul style="list-style-type: none"> <li>Indirect energy consumption</li> <li>Water consumption</li> <li>Waste management</li> <li>Sustainable procurement</li> <li>Wages and working hours including overtime</li> <li>Impact on local communities</li> </ul>	Accor is a hotel group that runs hotels from luxury to budget class. The company took several actions to become more sustainable. The company's employees are covered by collective labour agreements that regulate working hours. Some Accor hotels offer fair trade products, and removed endangered species of fish from restaurant menus. Furthermore, the company is active in purchasing recyclable, eco-designed products with the EU Ecolabel for some hotels.
Starwood Hotels & Resorts Worldwide	C+			Starwood Hotels & Resorts Worldwide, Inc. is the most global high-end hotel company in the world. The company took some actions to consume less energy and water. However, compared to some of its competitors, the efforts are rather weak. For its employees it offers training programs, but information on wages and maximum working hours are missing.

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Inrate Ltd is a leading independent sustainability rating agency active in Europe. It is based in Switzerland and has more than 20 years of experience in linking its know-how on sustainability with the financial markets. Inrate provides tailor-made solutions for investors who wish to consider ESG issues in their investments  
 More information: [www.inrate.com](http://www.inrate.com)



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