Institute of Hospitality

ABOVE & BEYOND

SUSTAINABILITY

DEPTH AND BREADTH

NOT A TICKBOX EXERCISE

One of the barriers to creating and implementing a sustainability policy is that defining the subject is difficult; it covers everything from carbon emissions to modern slavery. In addition, it must be integrated with other policies, including HR, operations and marketing, and has to embrace an organisation's entire supply chain. If providers are not living the standards and ethics of their clients, this drives a coach and horses through the authenticity and rigour of any sustainability programme.

To be effective, sustainability requires a 3D approach; it must be economically, environmentally and socially applied. This will represent a business' desire to meet the needs of the present without compromising future generations; it takes passion.

In some industries, this is no easy task. Laundry services run on 30% electricity and 70% gas, a fossil fuel, making decarbonising difficult. Oxwash moved to biogas, which is derived from organic waste, thereby reducing emissions by 63%. At the time of writing, it was on track to have achieved a 97% reduction by March 2024. Other disciplines conform and it has a fully electric fleet of bikes and vans.

The mission does not stop there. "Procuring linen comes with high carbon emissions and an impact on biodiversity, and by using gentler chemicals and cooler water, Oxwash needs to replace items less often," says the company's head of sustainability Michelle Urvall-Ashraf.

Foodservice faces a similarly demanding task because organisations are juggling the availability of foodstuffs with transporting them – and at the right price. And a commitment to net zero by 2030 adds another sticky ingredient to the recipe.

To succeed, introducing a culture change that brings sustainability and procurement together, is also potentially tricky when a diverse workforce contains a mosaic of attitudes and priorities, ranging from those who live and breathe sustainability to those who come to work to do the job.

As a result, crafting one message to encompass an entire procurement function, from workplace to providers, initially looks like a marathon, although a large corporation can leverage its scale to knit together economic viability, minimal impact on the environment and a socially responsible supply chain.

NOT A TICKBOX EXERCISE

Foodbuy, part of Compass Group, tied in bonuses as a financial incentive. "We created a mechanism that speaks to procurement in their language and satisfies sustainability needs," says head of sustainability Hari Singh. "A net zero pipeline sets the team a carbon target and they work with our supply chain to meet that; achieving it will contribute to their bonus."

Hotel groups also have teams that run the gamut of interest in sustainability and not being experts in the field, hoteliers rely on people in hospitality to lead the way. They then communicate their commitment to guests, some of whom book on that account and also look for evidence of a sustainable ethic in the operation.

Meliá Hotels International's head office is in Spain and the group's 400 properties worldwide vary in size, age and energy efficiency levels. "Part of the head office mandate is to build something that inspires each individual, and on-site, we try to support that locally. We create champions with a passion for the subject to push us forward internally, and ambassadors spread the message to guests; it is an organic approach," says general manager of of Meliá White House, London Jakob Gowin.

Meliá White House is almost 100 years old and has 700 bedrooms, so conserving energy is not easy. Gowin works with utilities management expert Clifford Talbot to help with data collection related to energy efficiency, plus Green Tourism, whose stringent assessment keeps protagonists on their toes. "We have made decisions that have cost quite a lot but we are seeing the results in savings," he says.

NOT A TICKBOX EXERCISE

Drinks specialist Belu was set up as an environmental social enterprise by Reed Paget in 2007, who was frustrated by seeing imported water in restaurants; then a new CEO made a 10-year commitment to give 100% of profits to WaterAid to ensure people worldwide had access to clean water, decent loos and good hygiene.

Current co-CEO Natalie Campbell took up the position in March 2020 and three weeks into the post, thanks to Covid, hospitality – Belu's client base – flatlined. As a result, to ensure its longevity and success over the next 10 years, the organisation created a new purpose, which included supporting WaterAid and spreading an environmental message about how the world sees water.

"We also changed our governance; our articles state that our primary objective is to deliver UN sustainability goals 6, 12 and 13 – to deliver clean water, espouse responsible consumption and production, and take climate action. That is what I'm measured against," says Campbell.

Belu's shareholders are not getting a return, but it is living up to its stated goals. Its purpose comes first, then its people: "We look at how they bring our purpose to life and our products. How they show up in the real world; I made a promise to the board that Belu would return to profit as a result," she says.

Natalie Campbell kept her word and four years on, Belu makes a profit. It gives WaterAid a minimum of £100,000 a year; last year it gave just over £300,000, amounting to £5.5 million since 2011. "There is another way to do business; sustainability doesn't have to be owned by just a few people. It is powerful to be able to tell the story behind our water and that makes it easier to approach hospitality establishments," she says.

SLOWLY, SLOWLY

None of this happens overnight, change is a slow but steady journey and includes a lively, convincing narrative. Organisations need a compelling sustainability story that commands customers' and suppliers' attention. This is essential for food service providers; they rely heavily on suppliers, who generate more than 90% of Foodbuy's Scope 3 emissions.
And visibility is all, not just in what suppliers are doing, but how their suppliers are behaving, as well, down to the original source. Companies are dependent on contractors to produce that information and then have to make the thorny decision of whether to stay with a possibly long-standing provider that gives a good discount or move to one that creates value in sustainability, even, if the outlay is higher.

The converse is also true; do not let clients push down your prices to the point you are compromising standards. It is better to walk away, however tough that is.

Spending more to shore up sustainable standards is not just principled but allows the buyer to assure their clients that their sources are sustainable. The 'S 'in 'ESG' is ever more important and shareholders and stakeholders not only expect it but also count on operators being able to demonstrate the veracity of their claims; it should be in their ethical DNA.

Conspicuous diligence is a brand value and suppliers' stories are part of their clients' narrative. An outstanding illustration of this is Belu's support of WaterAid, whose actions in Africa alone lead to women's economic empowerment, girls can go to school, women do not have to walk for miles to find water and then carry it home, communities can grow their own produce – all outcomes that Belu champions.

DATA CRITICAL

Sustainability is no longer a shallow, tickbox exercise, it is a prerequisite for environmental and financial success; it impacts on the bottom line and on an establishment's ability to attract and retain customers and employees.

Do not underestimate the central role that supplier data plays in this. First, work out what you need to know and which questions will elicit the answers you require. Make clear your priorities – sustainability, honesty, value, for example. Then ensure everyone throughout your company knows those benchmarks and is aware your suppliers know them too.

Having acquired the information, analyse and interrogate it to make sure you can trust it and it is what you asked for. Equally important, scrutinise your own data so that you are confident your practices mirror your words. If you don't examine it, someone else will – and not necessarily to your advantage.

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CONCLUSION

Designing and devising culture change, crafting a compelling story, and corralling and analysing data add up to a massively labour-intensive task, but the rewards socially, economically and environmentally are immeasurable. Be a business with purpose and keep your financial and ethical goals aligned. It is not easy to be a pioneer, but it is a commercial and ethical imperative.

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FURTHER READING

ABTA –Tourism for Good
https://www.instituteofhospitality.org/knowledge/market-intelligence/

Sustainable Travel Study
https://www.instituteofhospitality.org/knowledge/market-intelligence/

Food Waste
https://www.instituteofhospitality.org/iag/

Academic Partner News | Glion Institute of Higher Education on sustainability
https://www.instituteofhospitality.org/glion-sustainability/

First Ofqual Level 4 certificate in environmental sustainability management in hospitality
https://www.instituteofhospitality.org/first-ofqual-level-4-certificate-in-environmental-sustainability-management-in-hospitality-announced/

I'm In Podcast Episode 5: Sustainability
https://www.instituteofhospitality.org/im-in-podcast-episode-5-sustainability/
WRAP https://wrap.org.uk/

Sustainable Restaurant Association
https://thesra.org/

B Corp
https://www.bcorporation.net/en-us/certification/

The Carbon Trust
https://www.carbontrust.com/

SBA
https://www.sustainablebusinessalliance.org.uk/

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WITH THANKS TO

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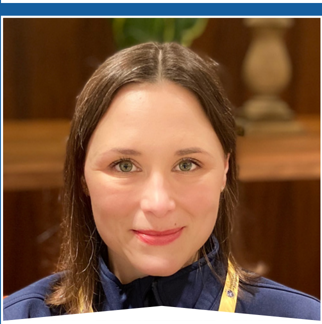

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