## **Executive summary**

This research paper will analyze the 2019 Sustainability Report of the Hilton Hotel based on the GRI guideline and judge its credibility. The sustainability report covers most criteria of the GRI, both environmental and social aspects. However, there are some sustainable areas missing, and the cause of this situation can be due to the different understanding or priority of the stakeholders. Overall, the report is assessed to be credible because it is based on both Sustainable Development Goals and GRI and audited by a third party; however, there are still some improvements to be made for the missing areas like rights of indigenous people, supplier social assessment, public policy, customer’s health and safety, marketing and labeling and socioeconomic compliance.

## **Introduction**

Sustainability is quickly becoming a trendy term in all industries, and yet its meaning is still sometimes misunderstood. Some audiences just limit its meaning to improving environmental problems, while others associate it with corporate social responsibility (Bansal and DesJardine, 2014). The Brundtland Report (Brundtland, 1987) is one of the first firms that really defines the “sustainability” term as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Later researches also claim that sustainable development requires a long-term plan and firms to take actions protecting intergenerational equity (Bansal and DesJardine, 2014). There is constantly a growing concern from consumers and the public about the impact of the tourism industry and information on hotel’s practices (de Grosbois, 2012). In addition, there is an evident increase in sustainability report by not only hospitality enterprises (Moneva, Archel and Correa, 2006; Unerman, Bebington and O’Dwyer, 2007). Later researches also confirm this trend not only in the hospitality industry but also in other fields (Carrot and Sticks, 2013; Medrado and Jackson, 2016). The recent study showed that the requirement for sustainability reports in corporate has doubled from 2013 to 2016 (KPMG, 2016). In general, the sustainability report aims to provide the public and stakeholders of the company’s sustainable practices and results in depth. This research paper will critically analyse the Hilton Hotel Group’s sustainability report in 2019 and judge its credibility.

## **Materiality in sustainability report**

Topics in a sustainability report can include a wide range of heterogeneous criteria such as energy usage, human rights, social contribution or biodiversity. As a result, the sustainable practices and criteria in the report can be ambiguous and the enterprises might have difficulty in determining what is the material for this heterogeneous and non-financial information (Reimsbach, Schiemann, Hahn and Schmieden, 2019). To solve this problem, some organizations have come up with definitions and criteria to assess sustainability practices. The Sustainability Accounting Standards Board (SASB) and the Global Reporting Initiative (GRI) have published a guideline for sustainable report with material definitions. This paper will evaluate the Hilton’s 2019 sustainability report (Hilton, 2019) based on the GRI guidelines.

## **Body**

### Environmental initiatives and results

#### Materials, Energy and Water

In terms of the “Material” criteria, the Hilton only justifies GRI 301-2, which they claim to recycle and donate to 127 countries in need all soaps used by guests in their managed hotels and 88% of their portfolio. By 2022, all small plastic bath toiletries will be converted to large size dispensers in all of the properties. The corporation has also set a ban on plastic bottles from all meetings and on plastic straws, cocktail picks and stir sticks globally for all purposes. The hotel reported that over 3.4 million pounds of soap and plastic bottles were recycled.

The Hilton Hotel Group pays a lot of attention to their internal energy consumption, which is proven by the fact that they qualify all GRI 302 criteria except for GRI 302-2. 100% of their properties qualify the ISO 50001 (Energy Management System), the group is recorded to have the largest certified portfolio in the world. 1,100 hotels of the Hilton also re-lamped to LED. Since 2008, all Hilton hotels have been able to reduce the energy consumption by 32%. This reduction has been achieved as a result of ongoing energy conservation activities and efficient implementation of 6.445 innovative energy-saving technologies approved by LightStay, which is a program to measure and manage sustainable practices, their activities on procuring renewable energy have science-based targets.

The Hilton tries to improve their water efficiency by some water withdrawal activities. All of Hilton hotels apply the WWF’s Water Risk Filter, which is a framework to explore water risk. The Hilton Garden Inn Dubai reported to save 6,000 gallons per day by the greywater recycling system. Smart irrigation controls and drip irrigation were installed in more than 1,700 hotels worldwide.

#### Biodiversity, Emissions and Waste

Out of four criteria in GRI - 304, Hilton hotels only adopt one of them (GRI - 304.1). The properties in the U.S. mapped based on 100-year flood zone areas by the U.S. Federal Emergency Management Agency (FEMA). In 2018, the hotel launched the Big Five commitment to invest $1 million in sustainable travel and tourism in Africa. The Big Five focus areas are Youth Opportunity, Water Stewardship, Anti-Human Trafficking, Local Sourcing and Wildlife Protection.

The Hilton is the first hotel brand to invest in carbon limit target based on scientific research, particularly they aim to reduce Scope 1 and 2 carbon intensity by 61%. To offset their Scope 3 corporate emissions from air travel and rental cars, the hotel chain purchased carbon credits and promised to continue this activity in the future. Besides, the hotel chain also planned to create partnership with cross-industry networks towards a low carbon footprint outcome in the future and collaboration with WWF, WRI, The Climate Group, etc.

The Hilton established a food waste program in the Americas and piloting in EMEA and APAC. The hotel group also joined as a member of the United States Department of Agriculture, Environmental Protection Agency, and Food and Drug Administration’s U.S. Food Loss and Waste 2030 Champions network of organizations that have committed to fighting food waste. 890 hotels globally have implemented composting programs.

### Social initiatives and results

All Hilton staff are offered with benefits for both work life and personal well-being life, including family support like parental leave, financial assistance for adoption or Milk Stork to support new moms. With these activities, Hilton won the 1st place for the best company to work in the US and the world’s 2nd best workplace by Fortune Magazine. For training and education, Hilton offers tuition reimbursement for learning that can directly improve the job and provides an average of 57 training hours per employee per year. They also provide two development programs: SHINE 1 (for future hotel executives role) and SHINE 2 (for future general manager), which result in 58% and 46% respectively trainees getting promotion. All team members worldwide are evaluated through the Performance Management Review process concerning all aspects from setting objectives and goals, solving complaints, giving regular feedback to coaching. All staff are also required to complete Inclusive & Respectful Workplace curriculum, train on Diversity & Inclusion and Unconscious Bias, Risks of Modern Slavery in Labour Sourcing, International Tourism Partnership’s Human Rights strategy, Forced Labour Principles including the prohibition of forced labour, bonded labour, child labour, slave labour, Code of Conduct, Responsible Sourcing Policy, Global Privacy Statement and participate in voluntary annually.

* 1. Areas of sustainability that were not implemented

Besides these sustainable practices, there are some areas in the GRI guideline that the Hilton Group is missing. For biodiversity, they mentioned several activities, but there is no measurement or results provided. This also applies for supplier environmental assessment, labor and management relations, occupational health and safety. Besides, rights of indigenous people, supplier social assessment, public policy, customer health and safety, marketing and labeling and socioeconomic compliance were not mentioned at all. The sustainability practices are implemented partly to serve the hotel’s stakeholders. The problem of some areas of sustainability not being implemented can be due to a different understanding of who the stakeholders may be or how they prioritized the stakeholders (Guix, Bonilla-Priego and Font, 2017). Therefore, for example, if the Hilton does not consider political union or parties to be their stakeholders, they might not implement actions on public policy. Another example can be that the Hilton prioritized customer and employee social assessment, therefore they have not had any supplier social assessment in place yet.

* 1. Impacts of the sustainable practices evaluation

From my point of view, their sustainable practices have a positive impact on the stakeholders. The Hilton Group was able to cover a large number of criteria according to the GRI and show great results. They do not only focus on the environmental practices but also the social aspect, which is a very important element. Without the social sustainable practices, the Hilton Group’s sustainability activities will be greenwashing and considered to take advantage of sustainability for marketing purposes. However, as Hilton is a large hotel chain with thousands of properties both owned and franchised, their business leaves an enormous impact on the stakeholders; therefore, they can contribute more to the society and environment. As proven, there are still some GRI criteria that have not been fulfilled yet by the Hilton, they can deepen their existing practices and develop more initiatives towards the missing aspects like biodiversity, customer health and safety or marketing and labelling.

* 1. Sustainable framework the report used evaluation

The practices of the Hilton Group were mainly based on the Sustainable Development Goals from the United Nation. Moreover, the Hilton also assessed themselves based on the GRI. This double assessment proves the well-rounded and thorough of the Hilton’s sustainability report (Hahn and Kuhnen, 2013). Along with the detailed information and statistics on the sustainable actions and results, the report also includes the level of progress towards the goals in 2030 for each of the practices, which helps to prove their activities and increase trust for their audiences. The sustainability report’s data also had been inspected and audited independently by Dekra Certification. In addition, the report starts with five clear goals and the Hilton manages to implement a variety of sustainable practices towards them. However, the Hilton’s report can improve further by being more consistent. For instance, one of the goals they mentioned in the beginning is to respect destinations by preserving local cultural and natural heritage; however, there is little practice mentioned to achieve this target. As an international hospitality enterprise, it is vital that the Hilton emphasize this aspect more profoundly. Another example is that they can focus more on biodiversity actions and provide measurement and results for this category. Hotels building will kill a lot of organism and lives, the least thing a large hotel corporation can do is to protect the surrounding biodiversity.

## **Conclusion**

To sum up, the Hilton hotel chain has been able to implement a wide range of sustainable activities that cover both environmental and social aspects. These practices are then reported in details, given the statistics and results, which gives the report a high level of credibility. Even though there are still some improvements to be made, the effort of sustainability of the Hilton hotel should be recognized.

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