

THE REAL DEAL

EXPOSING UNETHICAL BEHAVIOUR



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How do the top hotel chains score when it comes to people and the planet?

- Hotel workers are suffering serious physical injuries from the workloads imposed on them by large multi-national companies such as the **Hilton Group** and **Intercontinental Hotels**.
- The industry faces a serious greenwash crisis, with ethical credentials seriously undermined by cases like the **Hilton** developments in the Bimini Islands (Bahamas).
- **Best Western International**, the worlds' largest hotel brand with 4000 hotels in 80 countries, is one of many major chains that does not produce public environmental and sustainability reports.

| Hotel Chain | Ethiscore* |
|-----------------------------------|------------|
| Marriott International | 11 |
| Accor SA | 8 |
| Best Western International Inc | 6 |
| InterContinental Hotels Group Plc | 4 |
| Hilton Hotels Corp | 4 |

From a maximum score of 14.

More than an eco-friendly towel policy

Despite a growing trend in 'ethical tourism', the nearest most international hotel chains appear to get to a sustainability strategy is an eco-friendly towel policy.

While the big players such as **Best Western International**, **InterContinental** and **Hilton Hotels** laud over their own ethical credentials in glossy corporate brochures, our investigations find many of these claims appear to be paper-thin.

At over US\$730 million, tourism is the world's biggest industry. Yet despite their commanding role in this sector and their significant financial clout, international hotel chains possess some of the weakest environmental and social responsibility reporting records of any consumer industry.

Along with the serious lack of corporate social responsibility (CSR) reporting, Consumers International (CI) and the Ethical Consumer Research Association ([ECRA](#)) research has also revealed how some international hotel chains are doing significant damage to fragile natural environments and perpetuating poor treatment of local residents and hotel employees.

It appears that the 900 million people who travel abroad every year have very little to choose from among the major



hotel chains when it comes to social and environmental policies. The hotel industry needs to realise that consumers demand more than an eco-friendly towel policy or low energy light bulb initiative. Real accountability is desperately overdue.

This *Real Deal* feature examines the unethical behaviour of the worst offending international hotel chains, and looks at what the industry, as well as consumers, can do to change this.

Issues

Planet

Hilton in the Bahamas

Hotel chains have many environmental responsibilities to live up to from managing waste, conserving water and energy to sustainable building construction and reducing noise pollution. Environmentally sensitive decision-making begins with their choice of hotel sites. However, as this example illustrates the lofty sustainability statements of major hotel chains sometimes conflict with their operations on the ground.

The **Hilton Hotel** chain has come under attack by environmental groups in the Caribbean for the impacts of its development on Bimini Island in the Bahamas. According to local and international campaigners, **Hilton** was accused of damaging the island's mangrove swamps and coastline and threatening endangered species. The construction company at Bimini is also reported to have refused to release the Environmental Impact Assessment for the site, and community leaders have staged protests against the damage being inflicted and the companies' failure to live up to promises of jobs for local people.¹

The chain's President and CEO Christopher Nassetta proudly proclaims **Hilton's** commitments to sustainability on their US corporate website. In addition the Group's sustainability policies commit **Hilton** to "Influencing land use in harmony with nature and construction by promoting the use of established environmental best practices."² However, in March 2008, a short documentary by Fabien Cousteau, grandson of the famous oceanographer Jacques Cousteau, highlighted the continued negative impact of **Hilton's** development on Bimini's economy, people and environment.

View the film here:

<http://www.youtube.com/watch?v=Su5WKbaqbDA&am;feature=related>

Hilton Hotels is also one of the global chains involved in the Los Micos leisure development at Tela Bay in Honduras. The project, funded by international financial organisations and including huge hotels and golf courses, was said by the environmental group Global Exchange to be sited within the buffer zone of a National Park and to threaten fragile wetlands.³ Leaders of the local Garifuna community and their children were also said to have been threatened at gunpoint into signing away land rights for the projects, and human rights groups allege that the murders in spring 2006 of other Garifuna leaders may be linked to their opposition to the development.⁴

Luxury in post-tsunami Sri Lanka

Hotel development was also an issue for post-tsunami Sri Lanka. Following the tsunami, the government of Sri Lanka implemented a buffer zone of 100 meters to protect from future tsunamis. This meant that people were not allowed to

rebuild their homes on land that they owned if it was within 100 meters of the sea. Local activists revealed that this rule is being applied arbitrarily, particularly for the hotel industry and property developers.⁵

Similarly a recent documentary film on the 100-meter rule, *From Dust* (Dhruv Dhawan, 2004) includes interviews with officials from the Sri Lankan Tourist Board, whose Chairman explains that tourism will become the country's top foreign exchange earner by 2010. In order to achieve this goal, the country will need 11,000 high class hotel rooms. Luxury hotels will not want to build away from the beach, he explains, so there must be exceptions to the 100-metre rule.⁶ Officials made no attempt to cover up the land sale to developers and foreign commercial interests.

It is not yet clear which hotel chains are implicated in these sales.

People

Poor workers' rights

"The doctor gave me a note for my employer ordering that I be placed on 'light duty'... The managers, however, did not change my assignment and I continued working with the chemicals and cigarette smoke that my doctor told me could harm the baby. Shortly after, I had a miscarriage. The doctor performed an ultrasound and told me that the baby had not properly developed. I will never forget the final image of my baby's body."

– Rosa Delgado, Housekeeper, nonunion LAX Hilton⁷

The abuses clearly continue once hotels are built. According to Guyonne James of Tourism Concern, the hotel sector is characterised by "low wages, long hours and no contracts." She goes on to say "although Tourism Concern concentrates on majority world countries where there is no legislative framework to protect the environment or workers, many of the problems are the same in North America, Europe and in Britain, even though the laws should protect people.⁸ The people you find doing the cleaning, cooking and gardening are the poorest and most desperate, because they will accept these poor conditions. In some countries this is local people, and in more economically developed countries it is often immigrants, legal or illegal."⁹

These low standards are reflected in a number of the criticisms on the table. According to a US-based advocacy group, hotel workers can also suffer serious physical injuries from the workloads imposed on them by large multi-national companies like **Hilton**.¹⁰ Wages for the same jobs vary wildly from city to city, and workers find themselves fighting to make ends meet and keep important benefits like health care and retirement plans, as well as their right to organize a union. Likewise, **Marriott International** was also the subject of various union boycotts and an allegation of unfair dismissal at its hotel in Kuala Lumpur.¹¹

Reporting wrongs

The poor ethical records of many hotel chains come as no surprise to anyone looking at the sector’s record on environmental and social reporting. According to Tourism Concern, “very few hotel companies report in any meaningful way on the environment or labour conditions. Most don’t understand the issues or the point at all, and even if they do report there is often no correlation between words and deeds – it has no effect on their business practices.”¹² The reporting records of hotel companies are significantly worse than comparable markets, with even some global companies having no public reporting at all. This includes **Best Western International**, the worlds’ largest hotel brand with 4000 hotels in 80 countries.

Those that did report often produced superficial documents, full of vague promises and suggestions that hotel customers should help the environment through minor measures such as re-using towels.

Intercontinental Hotels appeared on a list of 14 FTSE 100 whose CSR reporting contained “too little substantive information and performance data to be considered legitimate CSR reports,” according to corporate communications consultancy Salterbaxter.¹³ **Accor’s**

reporting was an improvement on some of its competitors, but in the absence of any independent monitoring no guarantees exist of standards being adhered to.

What consumers can do



From CI’s perspective, the biggest consumer problem is the overwhelming lack of credible, third-party verified information on sustainable hotel accommodation choices. Spurious, exaggerated and diverse claims on sustainability range from hotels that cite marginal actions like switching to energy efficient light bulbs to supporting sea-turtle breeding on their private beaches.

The range of claims makes it difficult to distinguish good environmental practice from greenwash. However, based on ECRA ratings, of the companies on the table, **Ibis** and **Novotel** hotels (www.accorhotels.com) are best buys because of the poorer environmental and social reporting of their competitors.

It is also possible to patronise eco-labelled hotels, however these may not address some of the people-centred sustainability issues this article has raised.

The size of the problem

Table showing international hotel chains ranked by number of hotels and number of beds

| Rank | Chain | Group |  Hotels 2007 |  Beds 2007 |
|------|---------------------|---------------------|---|--|
| 1 | Best Western | Best Western | 4164 | 315 401 |
| 2 | Holiday Inn | Intercontinental HG | 1395 | 260 470 |
| 3 | Marriott | Marriott Int | 537 | 190 431 |
| 4 | Comfort | Choice | 2439 | 184 716 |
| 5 | Hilton | Hilton Corp | 496 | 172 605 |
| 6 | Days Inn of America | Wyndham World | 1 859 | 151 438 |
| 7 | Express by Hi | InterContinental HG | 1 686 | 143 582 |
| 8 | Hampton Inn | Hilton Corp | 1 392 | 138 859 |
| 9 | Sheraton | Starwood | 396 | 136 859 |
| 10 | Super 8 Motels | Wyndham World | 2 054 | 126 175 |
| 11 | Quality | Choice | 1 128 | 112 173 |
| 12 | Ramada Worldwide | Wyndham World | 871 | 105 986 |
| 13 | Courtyard | Marriott Int | 733 | 105 526 |
| 14 | Motel 6 | Accor | 928 | 95 628 |
| 15 | Hyatt Hotels | Global Hyatt | 214 | 94 224 |
| 16 | Mercure | Accor | 732 | 89 365 |
| 17 | Radisson Hotels | Carlson Hosp | 400 | 89 365 |
| 18 | IBIS | Accor | 745 | 82 546 |
| 19 | Crowne Plaza | Intercontinental HG | 275 | 75 632 |
| 20 | Novotel | Accor | 397 | 70373 |

What hotel chains must do

At bare minimum, hotel chains should have sustainability policies and practices that cover:

1. Clear targets on reducing energy and water consumption.
2. Clear targets on waste reduction and prominent commitments and actions geared towards reuse and recycling.
3. Environmental building standards (including choice of sites, environmental impact assessments and choice of sustainable building materials such as wood, paints, carpets, etc).
4. Good employment practices (including the right to unionise, fair pay, diversity policies and health and safety)
5. Support for third party verified and labelled fair trade, organic, local and seasonal food products, with appropriate supplier declarations and contracts to this effect.
6. Contributions to the local economy and community engagement.
7. Accessibility policies and services for people with disabilities.

Progress against sustainability targets should be measured and reported in an annual sustainability report that is publicly available – a practice that is clearly not the industry standard currently.

Finally, for consumers to be assured of the sustainability credentials of a chain, these should be communicated in a consumer-friendly both during a customer's stay at a hotel, but also in publicly accessible communications.

Although the **Nordic Scandic** group of hotels was not ranked in our table, our research highlights this chain's consumer-facing sustainability information as being particularly progressive within the industry. It also has a strong corporate culture and staff training to reinforce sustainability messages.

Turn to page 5 for the Detailed Ratings Table

About the research

These findings and the company-rating table were taken from the Ethical Consumer Research Association's (ECRA) Ethiscore database. The ratings were originally published by ECRA Publishing Ltd (EC 104 January/February 2007).

All material is correct one month before the publishing date.

Consumers International (CI) recognises that there may be a number of important ethical issues of relevance to this sector; however, for the purpose of this feature we have filtered the ranking criteria to focus on issues relating to the environment and people only.

Our customised scores focus on relative company performance within the seven specified criteria. For more information on ECRA's scoring see:

www.ethicalconsumer.org

References

- ¹ *Global Hotel chain's claims of responsible development are a 'greenwash,' says pressure group.* Tourism Concern press release. 25/7/2006
- ² A letter from our CEO Hilton Hotels Corporation Website. 09/08/2008.
- ³ *Garifuna communities continue to struggle for territory* See: www.globalexchange.org 17/10/2006
- ⁴ *Garifuna Community Leader in Honduras Threatened with Death* See: www.humanrightsfirst.org 06/07/2006
- ⁵ *Buffer Zone Confusion: Little Progress in Sri Lanka* Asian Coalition for Housing Rights 10/11/2005. See: www.achr.net
- ⁶ *Transparency and Culture.* Transparency International. 09/2006.

- ⁷ Unite Here. April 2006. *Creating Luxury, Enduring Pain. How hotel work is hurting housekeepers.* Page 10.
- ⁸ *The Guardian*, 29/4/2006.
- ⁹ Conversation with Guyonne James, Tourism Concern, 14/11/2006 and *The Guardian*, 29/04/2006
- ¹⁰ Hotel Workers Rising Campaign: <http://www.hotelworkersrising.org>
- ¹¹ Label Letter, September 2005 and CSR Asia Weekly 1/3/2006
- ¹² See 9
- ¹³ *The Independent*, 20/02/2006

Detailed Ratings Table

| Key Brand Names* | ENVIRONMENT | | | | PEOPLE | | | Ownership | Score out of 14 |
|--|-------------------------|----------------|--------------------|----------------------|--------------|-----------------|---------------------|--|-----------------|
| | Environmental Reporting | Climate Change | Pollution & Toxics | Habitats & Resources | Human Rights | Workers' Rights | Supply Chain Policy | | |
| Marriott hotels; Renaissance hotels ¹ ; The Ritz Carlton Hotel | ● | | | | | | ● | Marriott International (Delek Group), (Electra Ltd) | 11 |
| Ibis Hotels; Novotel Hotels; Sofitel Hotels; Mercure Hotels ² | ● | | | ● | ● | | ● | Accor SA | 8 |
| Ramada Jarvis ⁴ ; Howard Johnson; Travelodge | ● | ● | | | ● | | ● | Wyndham Worldwide; Jarvis Hotels (Lioncourt Capital Ltd) | 8 |
| Best Western hotels and Best Western Premier Hotels | ● | | | | ● | ● | ● | Best Western International Inc | 7 |
| Crowne Plaza hotels; Holiday Inn Hotels and Resorts; Holiday Inn Express Intercontinental hotels ⁴ | ● | ● | | | ● | ● | ● | InterContinental Hotels Group Plc | 4 |
| Hilton hotels; Conrad hotels; Doubletree hotels; Embassy Suites ⁵ | ● | | | ● | ● | ● | ● | Hilton Hotels Corp | 4 |

KEY

- ☐ NO RECORDED CRITICISM - no points deducted
- ◐ MINOR CRITICISM - minus 1 point
- MAJOR CRITICISM - minus 2 points

The higher the score, the better is the company's rating. All companies have a base score of 14 across the seven categories. Criticisms within the criteria result in a lower score.

*See footnotes for additional international brands.

¹ JW Marriott Hotels & Resorts; Courtyard by Marriott; Residence Inn by Marriott; Fairfield Inn by Marriott; Marriott Vacation Club International; Marriott ExecuStay; Marriott Executive Apartments; Grand Residences by Marriott.

² Ibis Hotels; Novotel Hotels; Sofitel Hotels; Mercure Hotels; Pullman Hotels; Suite Hotels; Adagio Hotels; Motel6; Etap; Hotel Formule 1

³ Wyndham Hotels and Resorts; Ramada WorldWide; Days Inn, Super8 Motels, Knights Inn, Wingate Inn and Baymont Inn and Suites (US, Canada)

⁴ Staybridge Suites and Hotel Indigo (UK and US only); Candlewood Suites (US, Canada);

⁵ Hampton Inn; Hampton Inn and Suites; Hilton Garden Inn; Hilton Grand Vacations

This feature was provided by ECRA and does not necessarily reflect CI policy.



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