

FUTURE READY: NAVIGATING THE CHANGING LANDSCAPE OF SUSTAINABILITY AND ESG REPORTING

A guide for Spanish tourism suppliers, produced by
TurEspaña and the Travel Foundation



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INTRODUCTION

THE SPANISH TOURISM INDUSTRY

Tourism has been an important feature of the Spanish economy for decades and prior to the COVID-19 pandemic, was contributing 12.4% of its GDP and 13.5% of total employment [1].

Those offering products, services and experiences to millions of visitors to Spain include providers of accommodation, food and drink, transportation and transfers, activities, attractions, guiding services and more. Up to 99% of tourism businesses in Spain are estimated to be micro or small [2].

THE UK MARKET

Spain is consistently the most popular overseas destination for UK tourists (31% of ABTA survey respondents had visited between September 2021 and August 2022 [3] and the top three destinations in Skyscanner's top ten destinations for British travellers in 2023 were all in Spain [4]). In turn, the UK is Spain's biggest tourism market (18 million a year [5], comprising 19% of all overnight visitors [6]). Spending by UK tourists is estimated to support 1.2% of Spain's GDP (spending of €17.509 million) [7].

AN APPETITE FOR SUSTAINABILITY

Travellers globally, and notably those from the UK, are increasingly aware of the impacts of their trips, and keen for the companies they choose for their holidays to demonstrate strong sustainability credentials. For example:

- 76% of respondents to a 2023 survey by Booking said they want to travel more sustainably over the coming 12 months [8];
- 59% of UK travel industry association ABTA survey respondents said the sustainability credentials of their holiday provider are important to them when planning a trip [9];
- 62% of TripAdvisor survey respondents would prefer to travel to somewhere where they can support local businesses for their next trip [10].



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SUSTAINABLE TOURISM IN SPAIN



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The Spanish tourism sector is making great efforts to ensure that the competitiveness of the sector is based on the pillars of sustainability. An example of this commitment is the ongoing work for the development of the future Sustainable Tourism Strategy 2030. It aims to help lay the foundations for the transformation of Spanish tourism towards a model of sustainable growth, based on the principles of:

- **Socio-economic growth** for competitiveness and profitability of the sector.
- **Preservation of natural and cultural values** as a priority objective.
- **Increase the social benefits of tourism** including improving their distribution
- **Structuring participatory governance mechanisms** at different levels within the country.
- **Permanent adaptation**, enabling the sector to be responsive to constant change.
- **Leadership**, which seeks to consolidate Spain's role as a world leader in the sector.

The Spanish tourism sector has also put in place other initiatives aimed at boosting the adaptation of the industry to a sustainable paradigm, such as the Plan for the Modernisation and Competitiveness of the tourism sector; Sustainable Tourism Plans for destinations all over the territory; and the promotion of new tourist experiences in line with new demands and requirements of society. All have focused on the objective of moving towards a more sustainable, profitable and higher-quality tourism development model.

Not only does this approach serve to safeguard the natural and cultural environment on which tourism depends, but it also presents an opportunity for differentiation in a highly competitive market. By supporting its suppliers to offer low carbon, positive impact holiday choices to visitors seeking authentic experiences, Spain can solidify its reputation as a leading sustainable destination, foster long-term loyalty by UK holidaymakers and demonstrate its readiness to support its suppliers to meet the expectations of operators and investors.

“Spain can set itself apart by prioritizing sustainability, including environmental issues such as water usage, plastic waste, carbon emissions, and social issues such as how tourism affects local communities. Globally, travelers are becoming more aware and are seeking out vacations with less impact on the environment and on local communities. Sustainability could become a key differentiator.” (McKinsey, 2023) [11]

BUILDING RESILIENCE

A sustainable approach also helps build resilience to the many external challenges the tourism industry faces, not least the risks from climate change. For example, recent research by the European Commission modelled the scenario where a global temperature rise of 3°C or 4°C would reduce the number of summer tourists by almost 10% in Europe’s southern coastal regions. In 2022, 65% of UK holidaymakers surveyed by a travel insurance company thought that Spain would be too warm to visit by 2027 [12]. Changing visitor and seasonal patterns would have a significant impact on traditional Spanish tourism operations and suppliers will need support to adapt and diversify to respond to both the challenges and opportunities presented.



“It’s increasingly evident that climate change is affecting traditional holiday seasons. Suppliers will need support to understand where the risks and opportunities lie for them and how to pivot and adapt”
Carol Rose, Head of Sustainability, ABTA

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As well as national efforts, smaller enterprises across the tourism and hospitality sectors have a key role to play: “Individual travel and tourism businesses’ environmental and social sustainability efforts need to achieve critical mass if Spain is to become known as a leading destination for sustainability-conscious travelers” (McKinsey, 2023) [13].

THE EVOLVING SUSTAINABILITY LANDSCAPE

WHAT IS SUSTAINABILITY AND ESG REPORTING?

For many years, companies have been required to report on their financial performance. More recently there has been an increasing focus on encouraging reporting of the non-financial implications of business operations. In particular, ESG (Environment, Social and Governance) reporting relates to [14]:

- **Environmental impacts:** including climate change, greenhouse gas emissions, energy use and efficiency, pollution, biodiversity and resource management;
- **Social concerns:** including human rights, working conditions, modern slavery, community impacts and diversity, equity and inclusion;
- **Governance considerations:** including executive pay, board diversity, security, bribery, corruption and anti-money laundering.

For those in the supply chain of the companies required to report, the environmental and social pillars will be the most relevant.

ESG reporting requirements and standards are continually evolving, making it difficult for companies of all levels to navigate their way through. This report therefore examines this changing landscape, introduces the main areas of focus and explores the likely impacts for Spanish tourism suppliers, with a particular focus on the UK market. It is particularly designed for those smaller suppliers who will be required to provide new data and information to tour operators and others who come under the new regimes.

Alongside mandatory reporting requirements in the UK and EU, voluntary reporting by large operators is also increasing in order to respond to growing investor, employee and customer expectations as well as to meet their own corporate sustainability ambitions – especially for purpose-driven companies.



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CHALLENGES AND OPPORTUNITIES

This drive towards stronger reporting standards, with more streamlined and clear requirements, is an opportunity for improved understanding and transparent reporting on impact, as well as closer industry and destination-level collaboration. This also presents a golden opportunity to support the tourism value chain to make progress on the big challenges we are all facing, such as climate mitigation and adaptation and improved equity and distribution of benefits.

However, new reporting requirements will also mean that tour operators will require additional information and data from their suppliers (accommodation, transportation, food and drink, activity, experience, guiding and other service providers) on a range of topics, many of which may be new to them.

The complexity of the evolving landscape will place additional pressure on, and create new requirements from, the tourism supply chain, largely comprised of SMEs, who often need more knowledge, skills, resources and technology to comply with these demands. Without industry alignment and support, suppliers are likely to become confused and feel overwhelmed.

By getting on the ‘front foot’, however, suppliers have a lot to gain from the new landscape, by seeing it as an opportunity to future-proof their businesses, build resilience for the future and gain competitive advantage. Collecting the required information across a range of topics – and using it for data-driven decision making and planning – can help businesses not only meet tour operators’ requirements and reduce risk [15] but also increase efficiency, reduce costs, improve and diversify their products and services, design new offerings and packages with a sustainability focus, address challenges such as seasonality, respond to customer, investor, and community expectations, attract and retain staff, track their progress in order to drive continuous improvement and access the tourism market more easily and on a more equitable and even competitive footing.



“The good news for the sector is the potential benefit Travel & Tourism enjoys from any efforts to preserve nature and the planet’s hospitable climate. Few sectors will be challenged more by the rise in severe weather and environmental crises as well as the disappearance of Earth’s biodiversity, which should provide adequate incentive for companies to go beyond mere compliance” (Breaking Travel News, 2023) [16].

MANDATORY REPORTING

New and forthcoming legislation will broaden and deepen the expectations on UK-based operators. Whilst large companies will initially be the ones required to report, “ESG reporting will require large organisations to report on their whole ... supply chain. Over time this will force organisations of all sizes to report” (Earthcheck Research Institute) [17] - in other words, it will impact on those in their supply chain in Spain.



Depending on their structure and size, many UK tour operators are already obliged under the Streamlined Energy and Carbon Reporting scheme [18] to report their Scope 1 and 2 GHG emissions - i.e. those relating to their own operations.

Under new company law provisions, large UK companies must now also report on risks and threats to their operations, which should encompass various ESG-related topics, including climate-related and environmental matters, as well as social, community and human rights issues in the supply chain, including modern slavery; and pinpoint management responses to the issues identified [19]. Under the Modern Slavery Act 2015, larger companies must also publish an annual statement setting out the steps it has taken to ensure that there is no modern slavery or human trafficking within their own operations or supply chains.

Reporting against standards developed by the global Task Force on Climate-Related Financial Disclosures (TCFD) – a framework to help public companies and other organisations disclose climate-related risks and opportunities through their existing corporate reporting processes [20] – is also mandatory for premium listed companies in the UK [21]. In 2024, the TCFD standards will become the responsibility of the International Sustainability Standards Board (ISSB), established after COP26 held in Glasgow in 2021. The ISSB has so far prepared two new standards for the disclosure by companies of material information relating to sustainability- and climate-related risks and opportunities for their businesses [22].

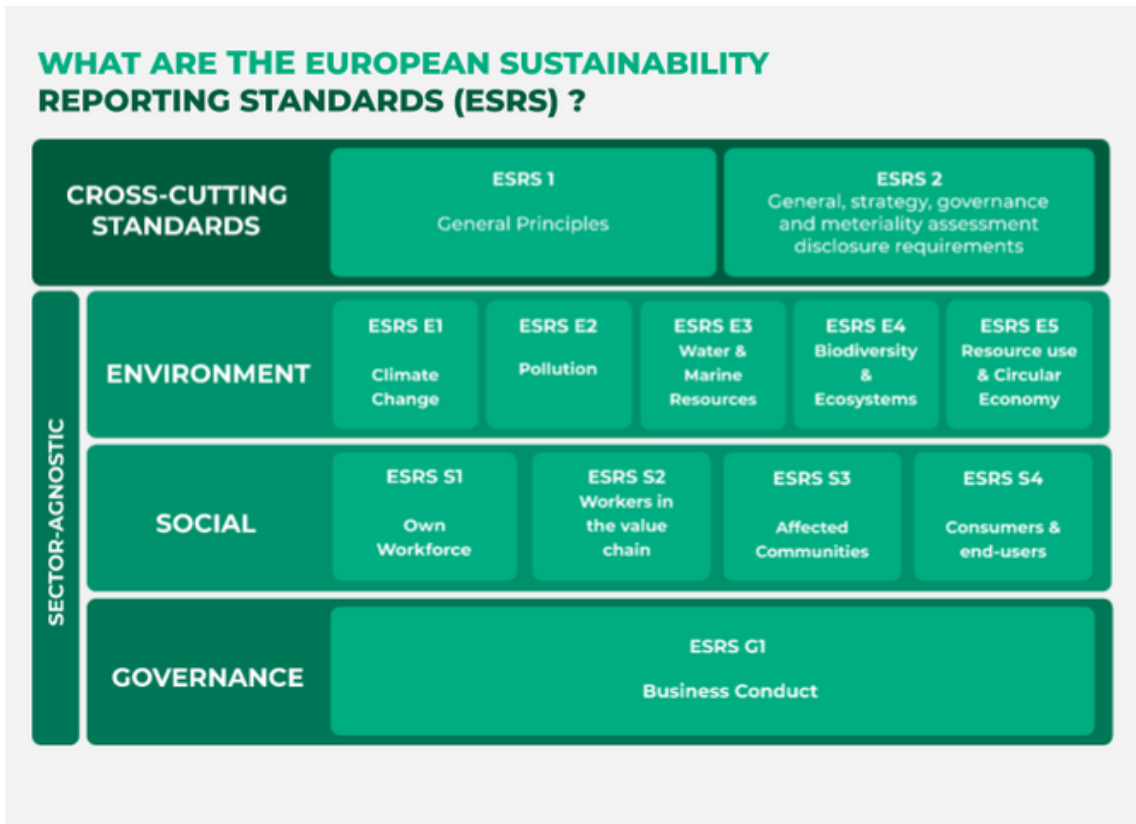
The forthcoming UK Sustainability Disclosure Standards (UK SDS) are expected to be launched in the second half of 2024 and will be aligned as closely as possible to the ISSB standards [23]. The specific requirements they will place on the supply chain are not yet clear, but the UK SDS will set out corporate disclosure requirements on the sustainability-related risks and opportunities that companies face. They will form the basis of any future requirements in UK legislation or regulation for companies to report on risks and opportunities relating to sustainability matters, including risks and opportunities arising from climate change [24].

The largest UK companies will also be required to publish net zero transition plans to demonstrate how they will contribute to the UK Government’s 2050 net zero target [25], with a disclosure framework currently in progress [26]. The UK Government is currently consulting on the costs and benefits of introducing mandatory Scope 3 (value chain) emissions reporting [27] – which would mean that larger companies would require emissions data from those in their supply chain.



The new Corporate Sustainability Reporting Directive (CSRD) broadens the requirements under the existing Non-Financial Reporting Directive. The CSRD will in due course affect many of the larger UK operators doing business in the EU, depending on their turnover in the EU and structure of their operations there (with reporting currently likely to be required for financial years commencing in 2028) [28]. These requirements will therefore also ‘trickle down’ to Spanish suppliers – who may also be subject to them in due course depending on their own business size and structure.

The CSRD requires reporting against the European Sustainability Reporting Standards (ESRS), which will become law in the EU from 1 January 2024 and which set out 12 ‘umbrella’ topics for all sectors. Certain of these topics – in particular the requirement to report on Scope 3 (supply chain) greenhouse gas (GHG) emissions as well as workers in the supply chain, will require specific reporting by large travel companies on these elements of their value chain.



Source: <https://greenomy.io/blog/what-to-expect-esrs-updates>

Note: Sector-specific standards are unlikely to be prepared until at least 2026 with tourism and hospitality likely to cut across different sectors rather than stand alone. As the ESRS are largely aligned (on climate disclosure) with the International Sustainability Standards Board standards [29], they also therefore provide a helpful indication of the likely direction of travel of the UK Sustainability Reporting Standards (see above), which are likely to similarly align with the international standards.

“The regulator has intentionally sought to introduce changes in large companies in a way that ends up impacting small ones. This is clearly a strategy designed to provoke global change and a strategic and transversal impact that surpasses traditional CSR” (Europapress, 2023 (translated from Spanish) [30].

Of the twelve over-arching topics in the ESRS, those likely to impact on smaller tourism and hospitality suppliers in terms of new information and data being gathered will include:

Environmental impacts:

- **ESRS E1 Climate change:** This will encompass energy consumption and greenhouse gas (GHG emissions) from, for example, accommodation, offices and other premises as well as transportation; and climate related impacts relevant to travel and tourism such as changing temperatures, sea level rises, coastal erosion and extreme weather events.
- **ESRS E2 Pollution:** This standard relates to potential pollution of air, water and soil so will relate to issues such as the use of chemicals and pollutants, micro-plastics and ozone depleting substances and their impacts on the natural environment.
- **ESRS E3 Water and marine resources:** Here suppliers may be asked for information on any activities affecting the availability and quality of local water supplies or marine resources, as well as any positive steps being taken to protect human health, marine life and ecosystems.
- **ESRS E4 Biodiversity and ecosystems:** Similarly, this standard is concerned with effects of businesses' operations on the flora and fauna in the surrounding environment, as well as habitats and local ecosystems – especially where tourism activity takes place in fragile or protected areas. Suppliers may also be asked to describe positive actions in which they are engaged, such as tree planting habitat restoration and other conservation activities.
- **ESRS E5 Resource Use and Circular Economy:** Suppliers are likely to be asked for data on their waste production and management practices, as well as steps taken to reduce consumption, increase resource efficiency and sustainable procurement and implement circular practices.

Social impacts:

- **ESRS S2 Workers in the value chain:** These will include employed staff and contractors. Suppliers may be asked to provide evidence of providing decent work, fair working conditions and safe practices, including payment of living wages, the avoidance of discrimination, child labour or forced/compulsory labour and ensuring the rights of vulnerable and marginalised groups.
- **ESRS S3 Affected communities:** This standard relates to communities living or working near to the relevant business or affected by its operations – for example through restricted access to land, amenities or resources, impacts on their quality of life or on specific groups. It also encompasses positive steps taken to provide local livelihoods or capacity building for local people.

Sustainability compliance will be strengthened in the coming years by the forthcoming Corporate Sustainability Due Diligence Directive [31], which will hold companies to account for the impacts of their operations and require larger companies to demonstrate a plan to ensure that their business strategy is compatible with limiting global warming to 1.5°C in line with the Paris Agreement.

The timeline for CSRD compliance is still evolving, as is the picture for the UK. Our best understanding of the current position is set out below [32]:

2023	Entry into force of Corporate Sustainability Reporting Directive
2024	European Sustainability Reporting Standards (non-sector specific)
From 2024 (reporting in 2025)	Reporting by large EU companies already required to report under the Non-Financial Reporting Directive, which meet at least two of the three requirements below: <ul style="list-style-type: none"> 500+ employees €50 million net turnover €25 million assets
From 2025 (reporting in 2026)	Reporting by all large EU companies meeting at least two of the following three requirements: <ul style="list-style-type: none"> 250+ employees €50 million net turnover €25 million assets
2026	European Sustainability Reporting Standards (sector specific)
From 2026 (reporting in 2027)	Reporting by small and medium sized enterprises with listed securities on an EU-regulated market, meeting at least two of the following: <ul style="list-style-type: none"> 10+ employees €900,000 net turnover €450,000 assets
From 2028 (reporting in 2029)	Companies from outside the EU with at least one branch or subsidiary in the EU and turnover above €150 million in the EU

ANTI-GREENWASHING PROVISIONS

Both in the UK and EU, new legislation and guidance has been introduced to address 'greenwashing' concerns by tackling the risk of companies making misleading or unsubstantiated environmental claims and pushing for greater transparency and accountability [33].

In the UK, the Competition and Markets Authority (CMA) has introduced the Green Claims Code [34], which establishes six principles for companies making environmental claims. Such statements must be truthful and accurate; clear and unambiguous; fair and meaningful; not omit or hide important relevant information; consider the full life cycle of the product or service and be substantiated. The travel and tourism sector has been identified by the CMA as likely to face particular scrutiny [35]. Whilst compliance is voluntary, the Code can be used by the UK Advertising Standards Agency (ASA) to enforce consumer protection legislation.

Similarly, under the EU Green Claims Directive (applicable to UK companies trading in the EU), environmental claims must be backed by data, with full transparency and evidence for the claims made which must be independently audited, supported with real reduction targets and accurately communicated.

As with ESG reporting, the impact of these provisions both in the UK and EU will be that operators will look to their suppliers for data to ensure that the environmental claims they wish to make can be backed up with robust and credible information.

“More robust management of environmental claims could help companies to reduce reputational and litigation risks, and support brand value. It may also generate new insights and guide better decision-making” (Xavier Font, Professor of Sustainability Marketing, University of Surrey)

VOLUNTARY REPORTING

Many of the larger tour operators already active in the Spanish market and bringing large numbers of UK visitors already go 'beyond compliance' by identifying and reporting on the wider impacts of their operations on a voluntary basis. Topics have included, for example, supplier ownership (for instance highlighting the proportion of enterprises that are owned by women or minority groups); local and/or sustainable sourcing; single use plastic reductions; community engagement; regenerative activities and contributions to biodiversity conservation and animal welfare – a particular issue of concern to UK consumers. Increasingly, tour operators are also working with their suppliers to measure and reduce their Scope 3 (supply chain) emissions.

The corporate / business travel market is also relevant here: for example, some large companies are now using 'carbon budgets for their business travel', meaning they will be looking to providers for data in order to minimise the impacts of their trips.

Examples of voluntary reporting by travel companies operating in the UK market

- **Jet2** is on track to exceed its target to reduce single use plastic by 80% by the end of 2023 from 2019 levels [36];
- **easyJet holidays** supports suppliers in Spain with sustainability training to help them meet requirements;
- In 2017 **Intrepid Travel** set a goal to double the number of female tour leaders globally by 2020 – which it met six months early in 2019 [37];
- **Exodus Travel**'s climate action plan includes a commitment to rewild 100 square metres per passenger [38] and 85% of the accommodation used on its trips is locally owned [39];
- **Explore Worldwide** has measured the carbon footprint of all its small group tours around the world covering emissions from accommodation, transportation, guiding, food, activity and excursion suppliers and is now using the information to work collaboratively with them to make changes [40];
- In 2022, **Audley Travel** introduced its Audley Impact Award to celebrate proactive steps taken by its suppliers towards operating sustainably, such as reducing plastic waste, supporting local communities, safeguarding children and working on animal welfare [41] and has introduced a 'Responsible Choice' classification system as an extension of its existing credentials [42];
- **Trafalgar**, a Travel Corporation brand, offer a range of 'Make Travel Matter'® experiences, chosen on the basis of the positive social or environmental impact they have on their communities or those who experience them [43];
- **TUI** has a Supplier Code of Conduct setting out the standards of ethical conduct, values and principles it expects from suppliers [44].



Photo credit Agent J on Unsplash

Inspiration from small & medium businesses in Spain and elsewhere

El Romero is a sustainable restaurant in Menorca. Its seafood and vegetarian menu uses fresh, seasonal produce, most sourced from local suppliers. All the fish served is wild, including 'forgotten' local species (e.g. because it is difficult to cook) but which is very tasty. Menu and portion planning is designed to reduce food waste. The restaurant's purchased energy is from 100% renewable sources. No disposable table linens, cutlery or napkins are used and 93% of beverage containers are reused. <https://elromero.bio>

Tantalus is a winery in British Columbia, Canada which practices regenerative farming. The property was built to LEED certification standard and has since installed solar panels for energy generation. Crops are grown without the use of herbicides and insecticides and the farm strives to use only organic-certified sprays, alongside other initiatives to protect biodiversity. The property also has its own wastewater treatment system. <https://tantalus.ca>



Alikats, in the French Alps, conducts carbon measurement and reporting across its business (covering heating fuel, firewood, cooking gas, fuel for vehicles, electricity, electric vehicles, water supply and treatment, business travel and catering). This has enabled it to demonstrate a 17% reduction in emissions for June 2022-May 2023 compared to the previous year. The business also sets and reports against pledges relating to waste reduction and maintaining zero food waste, improving traceability and measuring the impact of purchased food, energy and water saving initiatives, increasing sustainable procurement, reducing emissions relating to suppliers and partners, managing employee well-being and working conditions. <https://alikats.eu>

As well as caring for the natural environment, **INOUT Hostel** in Barcelona has social sustainability at its heart. The property belongs to a non-profit organisation whose mission is the social and employment inclusion of people with disabilities, who form 90% of the workforce in the hostel, which is also 51% employee-owned. All staff have a permanent contract and the ratio of men and women is equal. <https://www.inouthostel.com>

Also in Barcelona, **Mescladis** restaurant has a teaching kitchen, providing opportunities to those at risk of social exclusion, including migrants, as a stepping stone to employment and community engagement. The restaurant welcomes tour groups among others. Cultural activities are also offered, combining cooking with musical events, debates, talks and film screenings to celebrate the different cultures represented in the city. <https://www.mescladis.org>



Photo credit Nareeta Martin on Unsplash

THE ROLE OF CERTIFICATION SCHEMES

Tour operators are increasingly requiring their suppliers to gain formal sustainability certification, which means that the operator can more easily verify that particular reporting criteria are satisfied. Certification schemes recognised by the Global Sustainable Tourism Council (GSTC) (i.e. those that adhere to and are equivalent to the GSTC criteria) are often mandated by operators.

The GSTC Industry criteria can be found here <https://www.gstcouncil.org/gstc-criteria/gstc-industry-criteria-for-hotels/> and cover the topics required for the new and forthcoming ESG reporting regimes.

“We strongly encourage hotel suppliers to gain GSTC-recognised certification, which will help them ensure they cover all the requirements under ESG reporting schemes”
(Matt Callaghan, Director of Customer and Operations, easyjet holidays)

WHAT DO SUPPLIERS NEED TO DO?

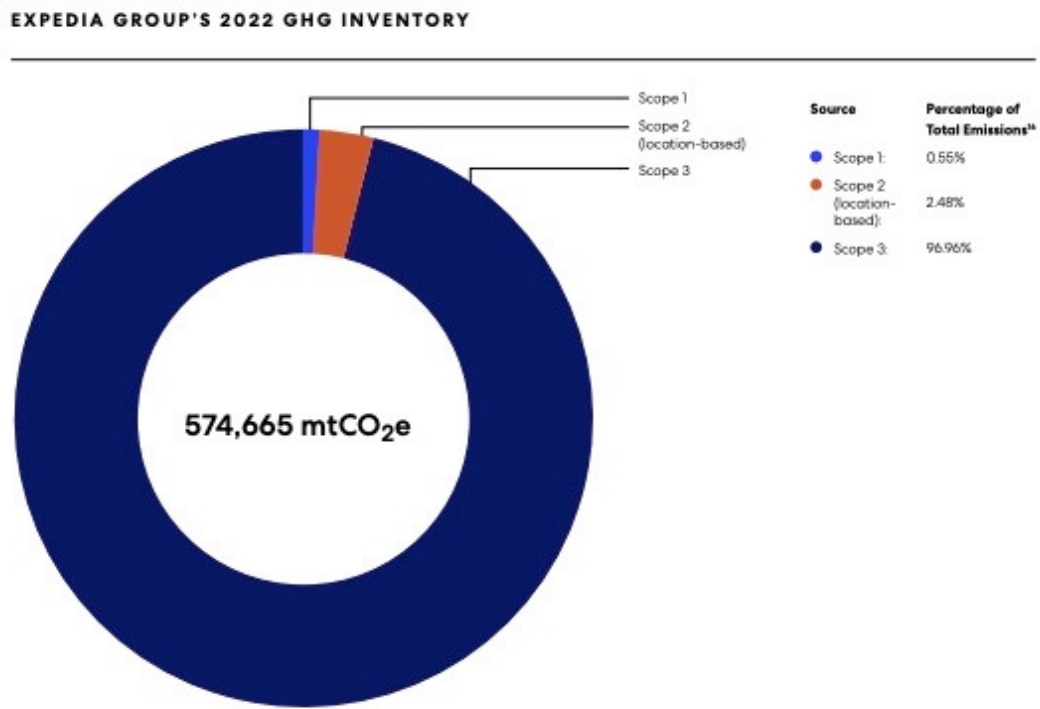
COLLECTING DATA

As the reporting landscape continues to evolve, the table below sets out the main topics on which tour operators are likely to seek data and information from suppliers (and in the case of larger suppliers, on which they may be required to report themselves in the coming years). It also suggests the kind of data tourism businesses could collect for each of these main topics and offers ideas on how to capture the information required. This information may then be used to report to operators and others requiring it as well as for the business' own use or for certification processes. The data and information required is likely to be a combination of:

- **Quantitative data:** For example, figures for energy or water consumption, waste generation, carbon emissions or staff data;
- **Qualitative data:** For example, explaining how businesses manage risks and impacts or stories of how they contribute positively to nature conservation or community engagement.

A corporate reporting example: Expedia

As well as large tour operators, online travel agents will also be required to report under the new requirements and in turn will also require data and information from their suppliers. For example, Expedia Group publishes an annual global impact report [45] in which it reports against ESG with reference to GRI Reporting Standards. The global data provided includes, for example, the Group's GHG inventory, which will act as a baseline for upcoming emissions reduction commitments which will include its Scope 3 (supply chain) emissions.



Source: Expedia Group Global Impact Report 2022

WHAT DATA MAY BE NEEDED?

The table below sets out some of the data and information that tour operators may require from their suppliers, and some ideas on how to start collecting it.

Environmental impacts

Topic	Examples of data and information that may be required	Collection methods
Energy and fuel consumption / greenhouse gas emissions	<ul style="list-style-type: none"> • Energy consumed in / greenhouse gas (GHG) emissions from operations (e.g. offices, accommodation premises, other buildings) – per guest and/or area of operation • Fuel consumed by / GHG emissions from transport • The mix of energy / fuel types including renewable sources • Steps taken / plans to reduce energy consumption and GHG emissions, including customer engagement 	<ul style="list-style-type: none"> • Meter readings • Invoices and bills • Carbon calculators • Internal records and policies
Pollution	<ul style="list-style-type: none"> • Data on the use of chemicals and pollutants • Waste and wastewater disposal practices • Steps taken to reduce the use of hazardous substances 	<ul style="list-style-type: none"> • Bills and invoices • Internal records
Water and marine resources	<ul style="list-style-type: none"> • Water consumption figures per guest / area of operations • Any activities affecting the quality or quantity of local water supplies • Examples of steps taken / plans to reduce water consumption, protect water resources and marine ecosystems, including customer engagement 	<ul style="list-style-type: none"> • Bills and invoices • Internal records
Biodiversity and ecosystems	<ul style="list-style-type: none"> • Identification of any negative impacts of the business' operation on biodiversity and ecosystems and actions taken to address them • Actions taken to contribute to conservation and regeneration of flora, fauna, habitats and ecosystems, including customer engagement 	<ul style="list-style-type: none"> • Risk register • Internal records
Waste and resources management	<ul style="list-style-type: none"> • Waste produced by the business (by weight & type) • Main areas of the business producing waste (e.g. catering / housekeeping / other) • Waste management practices (e.g. whether waste is separated and recycled) • Procurement practices e.g. to avoid excess packaging / single use plastic or other items • Actions taken to reduce waste e.g. food waste 	<ul style="list-style-type: none"> • Bills and invoices for waste disposal • Procurement invoices • Internal policies and records

**“One of the best things that suppliers can do is to start to set up systems and records from the start. They will need tools and guidance to help support them to do this”
(Rochelle Turner, Head of Sustainability, Exodus Travels)**

Social impacts

Topic	Examples of data and information that may be required	Collection methods
Workers and contractors	<ul style="list-style-type: none"> • Staff working conditions and safe practices • Wages paid and whether this is a living wage as locally / nationally defined • Gender pay gap information • Anti-discrimination practices, diversity, equity, inclusion and accessibility • Contractual arrangements e.g. seasonal / permanent; guaranteed hours or zero hours • Steps being taken to ensure no modern slavery, human trafficking or child labour is taking place in the business’ operations or supply chains and to respect human rights • Clear systems for complaints and/or redress • Opportunities provided to staff e.g. for training, qualifications, career progression • Staff wellbeing 	<ul style="list-style-type: none"> • Staff contracts and pay records • Personal staff data (anonymised) • Employment and modern slavery policies • Agency and supplier contracts • Internal records
Communities	<ul style="list-style-type: none"> • Identification of any negative impacts of the business’ operation on local communities and actions taken to address them • Evidence of engagement with local communities and of informed consent in relation to any developments directly impacting on them • Evidence of positive benefits generated for local communities such as local sourcing, employment and livelihood opportunities and enhanced facilities or amenities 	<ul style="list-style-type: none"> • Internal records

“Suppliers need to be able to measure and provide data in a streamlined, coordinated way to reduce the burden whilst meeting the requirements of tour operators” Tim Fairhurst, Director General, ETOA

USING DATA

It is easy for suppliers to see corporate reporting simply as a routine and perhaps onerous data-gathering exercise. However, the data and insights gathered can be a powerful tool for enhancing operations and future-proofing the business. Carefully analysing the information gathered can position suppliers to identify gaps and areas for enhancement, capitalise on their strengths, adapt to changing trends and future challenges and gain a competitive advantage. In particular, tour operators will expect to see data used to drive improvements in environmental and social performance year on year.

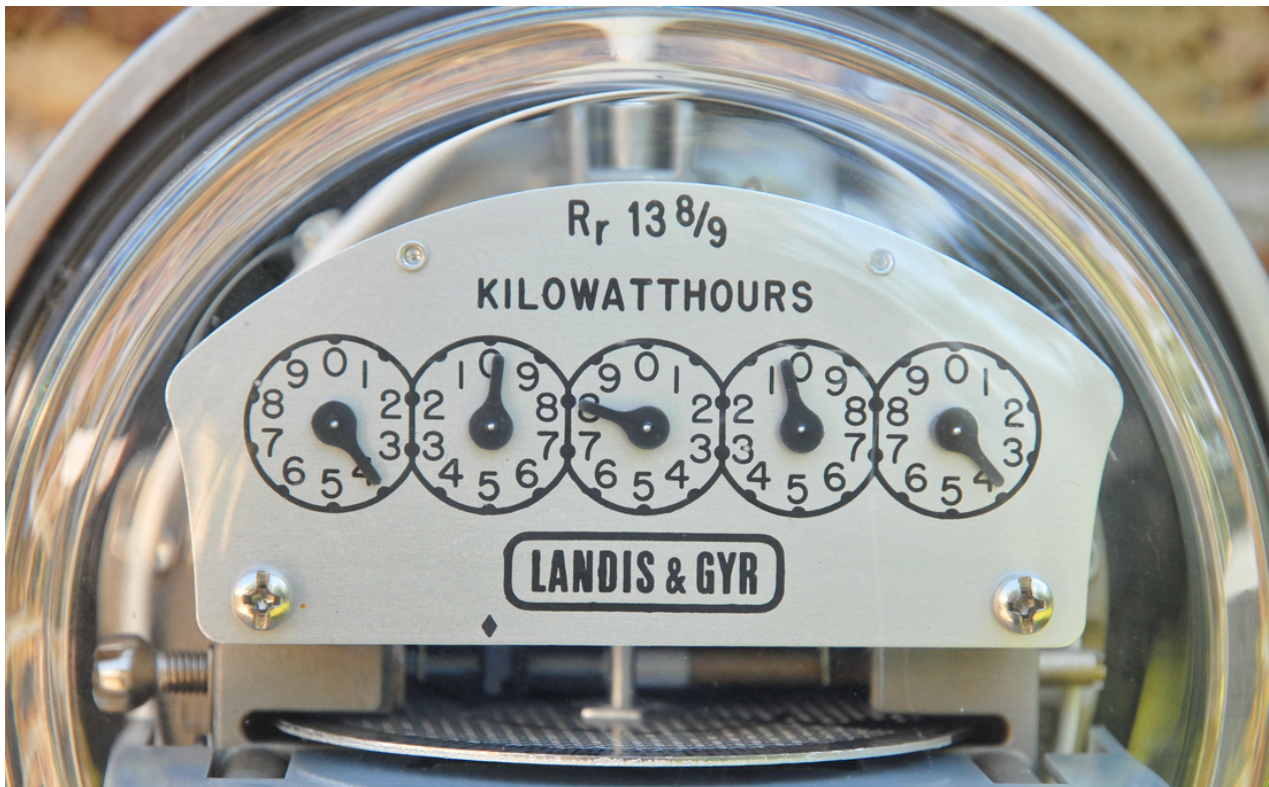


Photo credit Robert Linder on Unsplash

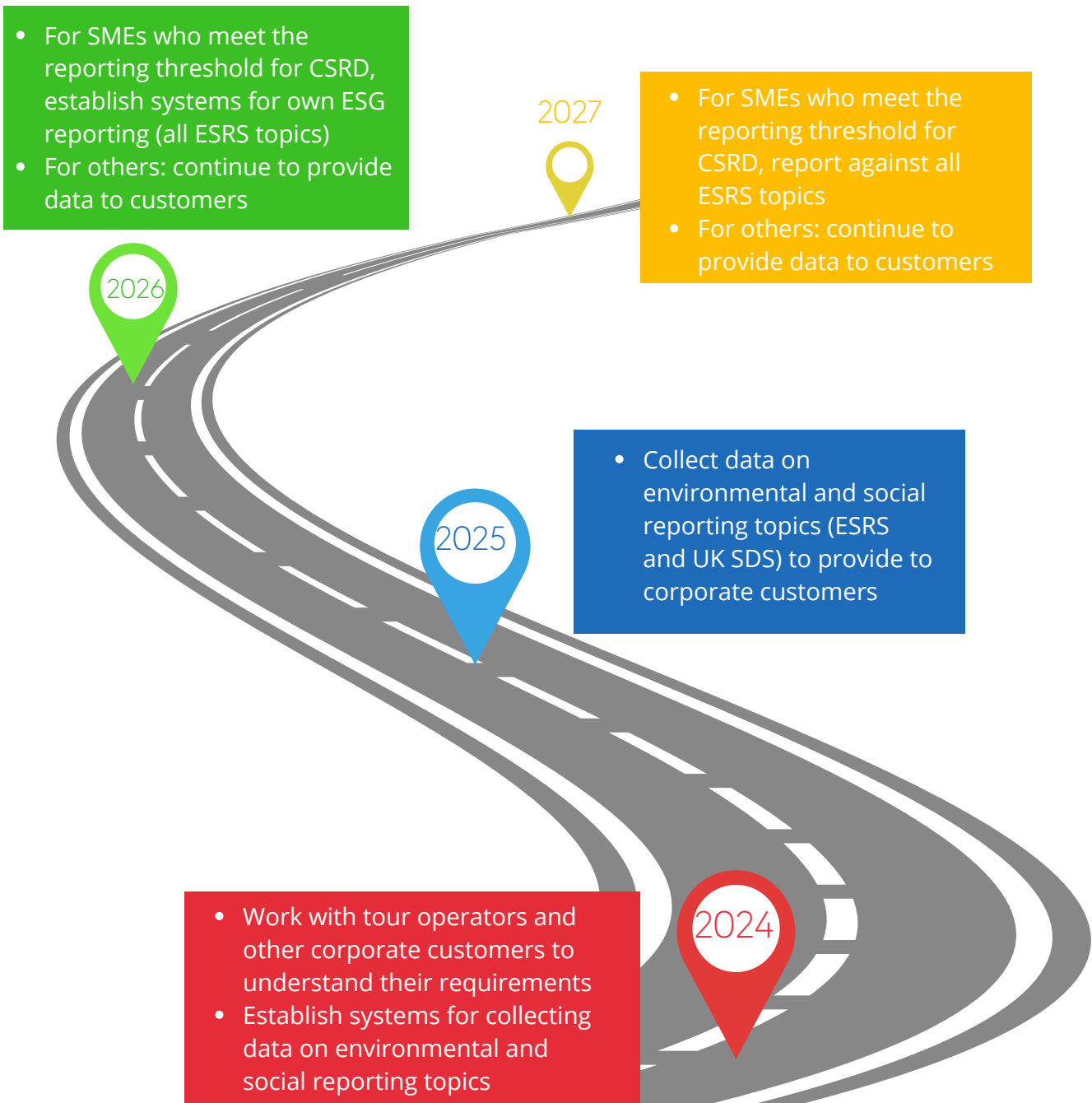
"Data can be seen as a compass which guides businesses through their sustainable transformation. It empowers you to assess your current position, define your final goal, chart the path and steps to reach it, and identify stakeholders who will bolster your success." Sofya Muhrer-Muromets, Sustainability Lead, Tourradar

For example, environmental and social data and information can be used to:

- **Streamline operations, increase efficiency and reduce costs:** for example, by identifying specific areas within the business where there are gaps or that require improvement – such as high energy / water consumption or waste production – and exploring ways to reduce them;
- **Build resilience for future challenges:** implementing sustainable practices based on data-driven insights not only minimizes operational risks but can help businesses build resilient foundation that can withstand disruptions and fluctuations in the industry, thereby ensuring long-term viability and success;
- **Enhance and diversify products and services:** by, for example, responding to market demands for local, authentic experiences, being able to back up claims of social and environmental impact with robust and credible data and information and collaborating with others to develop and offer low carbon / positive impact packages to visitors;
- **Respond to customer, investor, and community expectations:** by using sustainability data as a compass for alignment with the demands of wider stakeholders. This approach fosters a culture of accountability and transparency, enhancing the credibility of the business in the eyes of stakeholders and the wider community and offering a competitive edge in the market;
- **Engage and retain staff:** By involving staff in sustainability initiatives and using data to showcase and celebrate the impact of their efforts, tourism suppliers can foster a sense of purpose and engagement among employees. Demonstrating how their contributions directly contribute to the company's sustainability goals and positively impact the environment and local communities can enhance employee morale, contribute to higher staff retention rates and create a more cohesive and motivated workforce;
- **Encourage sustainable choices by customers:** By using data to understand the main impacts of the business' operations, guest communications and options can be tailored to promote and incentivise responsible choices, for example by making them the 'default' option, sharing information about what other customers have done to reduce their carbon footprint or water use, for example (research has shown that social pressure is the key driver for behaviour change) [46];
- **Create a clear framework to take action and track progress** on sustainability within their own business: Utilising sustainability data enables tourism suppliers to establish a baseline and create a structured framework with clear, measurable goals for implementing sustainable initiatives and tracking their progress over time. By setting measurable goals based on these insights, businesses can effectively monitor the impacts of their activities and make necessary adjustments to ensure continuous improvement.

A ROADMAP FOR SPANISH SUPPLIERS

Note: The roadmap below illustrates the current process for Spanish tourism suppliers who are not large enough to be required to report in the first two years of CSRD reporting (i.e. they do not meet the thresholds of 250/500+ employees and/or turnover of €50 million and or assets of €25 million), but who may be required to report by 2027 if they meet the threshold (10+ employees and/or turnover of €900,000 and/or assets of €450,000)



FREQUENTLY ASKED QUESTIONS

If we're not collecting any data yet, where should we start?

Here are our ten suggested steps:

1. Identify the key metrics for your business: such as energy consumption, water usage, waste generation, community engagement, employee diversity, and governance practices.

2. Set clear and achievable sustainability objectives, aligned with your business values.

3. Identify data collection tools: Plan how you will collect the necessary data. This may involve setting up tracking systems, using spreadsheets, or looking for user-friendly, cost-effective software tools that can help streamline the process

4. Engage your staff: Train and involve your employees in the data collection process. Ensure they understand the importance of sustainability data and how their contributions can positively impact the business and the environment.

5. Start recording data: Begin collecting data in a structured manner, following the chosen metrics and objectives. Make it a routine part of your business operations. Don't forget also to gather information on the positive steps your business may be taking in terms of its environmental and social impacts, and to identify any gaps or where you could do more.

6. Set a baseline: You can then use the data you collect to establish a baseline and identify actions you can take to reduce your consumption and maximise the positive impacts of your operations.

7. Regularly review and analyse data to identify gaps, opportunities for improvement and potential cost-saving opportunities.

8. Benchmarking: Create your own baselines and compare your data to industry benchmarks or standards, if available. This can provide insights into how you stack up against competitors and peers.

9. Continuous Improvement: Continuously refine your metrics, set new targets, and adapt to changes in your business environment.

10. Communication: As you collect data and make improvements, communicate your progress to customers, employees, and stakeholders. Transparency can build trust and support for your sustainability efforts. You could include some of the information and stories you collect for ESG reporting on your website, in a blog, on social media or by producing a short annual sustainability report.

Remember, the most important step is to start. The sooner you begin collecting sustainability data, the sooner you can make informed decisions and drive improvements in your business.

Where can we find resources and support?

Look for local or national agencies and associations that can support you, as well as other businesses with whom to share ideas and experiences, and even to share the costs of solutions. Consider attending workshops, webinars, and networking events focused on sustainability reporting in the tourism and hospitality sector.

Who should we work with?

Engage early with the main operators with whom you work, to identify the main areas of information they are likely to ask from you. Work also with local DMCs and your local or regional destination management organisation which may also be able to offer support.



“DMOs have a unique opportunity to support their suppliers to navigate the new landscape and to develop the skills and knowledge they need to do this” Rachel Dodds, Professor at Ted Rogers School of Hospitality and Tourism Management, Toronto Metropolitan University

USEFUL RESOURCES AND ORGANISATIONS

Below are just some of the sources of information, advice and resources from the UK and other places, that may help you gain knowledge and identify useful tools to gather the sustainability data and information relevant to your business:

Climate, energy and carbon

- The Glasgow Declaration on Climate Action in Tourism – tools and resources: <https://www.oneplanetnetwork.org/programmes/sustainable-tourism/glasgow-declaration/tools-resources>
- SME Climate Hub Reporting Tool: <https://smeclimatehub.org/>
- Weeva: <https://weeva.earth/>
- The Carbon Trust: <https://www.carbontrust.com/our-work-and-impact/guides-reports-and-tools>
- Hotel Energy Solutions calculator: https://hes-unwto.org/hes_4/microsite/index.php?LangID=1
- E-collective: <https://www.ecollectivecarbon.com/>
- Sustain Life: <https://www.sustain.life/>

Sustainability tools and resources

- Sustainable Hospitality Alliance resources: <https://sustainablehospitalityalliance.org/resources/>
- WTTC Hotel Sustainability Basics Toolkit: <https://wttc.org/Portals/0/Documents/Hotel%20Sustainability%20Basics-Toolkit.pdf?ver=2022-08-16-131107-417>
- Greenview Hotel Footprinting Tool: <https://greenview.sg/services/greenview-hotel-footprinting-tool/>
- Green Destinations Business Sector Sustainability Scan: <https://www.greendestinations.org/business-sector-sustainability-scan/>
- UNWTO resources: <https://www.unwto.org/sustainable-development>
- Federation of Small Businesses resources: <https://www.fsb.org.uk/knowledge/knowledge/sustainability.html>

Waste and plastic

- Travel without Plastic: <https://www.travelwithoutplastic.com/>
- Foodsteps: <https://www.foodsteps.earth/>
- WRAP: <https://wrap.org.uk/>

Reporting

- Global Reporting Initiative reporting template: <https://www.globalreporting.org/reporting-support/reporting-tools/content-index-template/>

Certification

- GSTC: www.gstccouncil.org

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Note: As the application and timeframe for regulations at both UK and EU level vary according to the size and type of tour operator/agent, we have based this report on the most rigorous requirements at both levels, since these will apply to the largest inbound operators to Spain and, over time, to smaller entities too. The landscape is evolving; information in this report represents our best understanding in October 2023. It is not intended to constitute legal advice which should be sought if required.

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