



# Advancing Sustainability in the Hospitality Industry

RCA ESG Capability Statement





## About Us

**Red Clay** is a specialist advisory practice focused on harnessing the socio-economic potential of sustainable tourism development for cities, states, regions and countries in Africa.

We specialize in strategy advisory for destination development and management, ESG advisory, feasibility studies, market research and intelligence, policy advisory, and capacity development for tourism and hospitality-focused businesses, agencies, organizations, and governments in Africa.

Our team members have worked in the tourism industry in the UK, West and East Africa, and are experienced and passionate about sustainable tourism as an instrument for societal change, with its promotion of heritage, the celebration of culture, and contribution to identity.

See our company profile [here](#)

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## Background

Sustainability is the capacity to create long-term value through comprehensive focus on environmental, social and governance (ESG) issues, factors, standards and goals. Making sustainability the core of a company's business strategy delivers sustainable socioeconomic benefits in the long-term.

Sustainability enhances a set of ESG topics for company operations, activities and criteria used by many investors. ESG represents risks and opportunities that impacts a company's ability to create long-term sustainable value for shareholders, the environment and society. Finally, ESG empower organisations with the capability to understand the tangible essence of sustainability.



More and more, stakeholders expect that organisations should be committed to contributing towards ESG issues through their business operations and activities in the society. Globally, governments are taking the lead in addressing current and future challenges around sustainability and climate change from a policy and regulatory perspective.

This is important as it will help enhance a macroeconomic and microeconomic essence. It will also help drive a market governance approach that aligns with the essence of sustainability. However, progress is not even across countries, markets and economies.

For sustainability to have the foothold required as a business and sustainable socioeconomic development agenda, regulators and government will be required to implement sustainable policies and regulations that will advance the right market governance approach.





From a broad sense, ESG topics that organisations should pay attention to as they develop their ESG capabilities and ensure sustainability is core to their operations, activities and processes could include but not limited to:

**Environment:** Pollution; Biodiversity Loss; Climate Change; Resource Depletion; Waste Management; Deforestation; Emissions; Renewable Energy

**Social:** Human Rights; Child Labour; Employee Satisfaction; Product Safety; Community Engagement; Labour Standards; Diversity, Equity and Inclusion

**Governance:** Board Diversity and Composition; Shareholders' Rights; Bribery and Corruption; Data; Protection and Governance; ESG Risk Management; Accountability and Transparency





Making sustainability and ESG values the core of a company's business strategy delivers sustainable socioeconomic benefits in the long-term.

## Sustainability in the Hospitality Industry



The hospitality industry includes businesses such as hotels (broadly used for lodging), airlines, leisure facilities and restaurants. The importance of sustainability in the hospitality industry has gained attention as awareness about social and environmental issues among travelers keep increasing. For example, research shows that the hotel sector currently accounts for about 1% of the world's carbon emissions and that the hotel industry should cut its carbon emissions per room by more than 90% by 2050.

This means that hotels will have to take critical measures towards the attainment of decarbonisation and the net zero agenda. Globally, some of the world's leading hospitality businesses have embedded sustainable practices into their operations to reduce their negative environmental and social impacts, and enhance their governance impacts.



## Sustainability in the Hospitality Industry

It is also important to note that activities from tourism contributes about 5% of global greenhouse gas emissions. According to the Cambridge Institute for Sustainability Leadership, this is expected to grow by 130% by 2035. This calls for a rethinking in strategy, policies and regulations to account for material topics specific to the hospitality industry such as:

- energy management (energy conservation),
- food and packaging waste management (cut down on food and plastic waste by embracing recycling as a circular economy approach),
- water management,
- food safety,
- nutritional content,
- labour practices,
- supply chain management and food sourcing,
- ecological impacts,
- climate change adaptation,
- customer safety,
- workforce safety,
- eco-friendly materials and design (eliminate plastic and other biodegradable materials),
- greenhouse gas emissions,
- competitive behaviour, and
- accident & safety management, etc.



## Sustainability in the Hospitality Industry

These material topics are at the core of achieving sustainable hospitality and the greening of the hospitality industry.

Sustainable hospitality refers to the implementation of sustainable standards, strategies, processes and practices in the hospitality industry in compliance with ESG standards.

Businesses in the hospitality industry should have a direct interest and responsibility in promoting sustainable hospitality practices in their operations and activities.

Doing this will help enhance: the diversity of demands from guest in relation to sustainable practices, access sustainable investment opportunities, access to sustainable finance, access to the carbon credit market, brand reputation and business continuity.

The hospitality industry landscape has evolved due to the COVID-19 pandemic. This evolution has opened a unique opportunity for the industry to be at the forefront of driving sustainability for its growth and development.





## Our services for a Sustainable Hospitality Industry in Nigeria



### Red Clay ESG Offerings

The services below will help the industry to transition to sustainable hospitality in Nigeria. The services will also enhance the capability of businesses in the industry to take advantage of the opportunities and innovation associated with implementing sustainability as a socioeconomic development agenda.

We also have the capability to work with organisations to offer specific sustainability services they are interested in but not listed below.

#### These services include:

- **Sustainability Strategy Development and Implementation**
- **Sustainability Disclosure and Reporting**
- **Sustainability Capacity Building Programmes**

## Red Clay ESG Offerings

### **1. Sustainability Strategy Development and Implementation:**

For organisations in the hospitality industry to fully maximise the impact of sustainability innovation and opportunities they will be required to develop and implement sustainability strategies. We work with organisations to develop and implement sustainability strategies that will enhance the capability of businesses to access sustainable opportunities, develop sustainable services and enhance stakeholder relationship.

Our approach to developing and implementing a sustainability strategy involves: deconstructing an organisation's culture, values, vision and mission to determine fit with sustainability, conduct industry and benchmark analysis, engage with stakeholders (internal and external) to gather relevant data, conduct current position assessment (gap analysis) and training, conduct materiality assessment to determine material topics, develop KPIs, develop implementation plans and roadmap, etcetera.



### **2. Sustainability Disclosure and Reporting:**

Organisations are expected to disclose and report progress in their implementation of sustainability using best practice standards such as the Global Reporting Initiative (GRI) Standards, etcetera. We work with organisations to achieve this. A sustainability report enhances brand reputation and position's an organisation for sustainable finance and investment opportunities.



## Red Clay ESG Offerings



### **3. Sustainability Capacity Building Programmes:**

We offer general and customised sustainability trainings that will help to deepen the understanding of sustainability by businesses in the industry. Our training programmes include: general sustainability training programmes for employees and customised sustainability training programmes for executive management.

Our preference is to work with organisations to meet their specific needs to enable them achieve the required value. Our trainings cover; understanding and implementing sustainability, sustainability reporting and disclosure, understanding impact assessment, sustainable hospitality and the circular economy, climate change and climate finance, etcetera.

These trainings will offer contextual approach as it relates to the hospitality industry and they will be relevant to regulators, agencies and businesses in the Nigeria hospitality industry.



A photograph of a modern building with a lush vertical garden facade. The building features large glass windows and balconies, with various green plants and flowers growing on the exterior walls. The text is overlaid on a semi-transparent white box in the center of the image.

**The hotel sector currently accounts for about 1% of the world's carbon emissions.**

**This means that hotels will have to take critical measures towards the attainment of decarbonisation and the net zero agenda.**



## Our ESG Team



### **Adun Okupe, CA PhD**

Adun Okupe is the principal advisor at Red Clay and is passionate about harnessing the transformative potential of sustainable hospitality and tourism in Africa.

She teaches sustainability for innovation, ESG for the real estate market, social impacts, responsible business and circular economy thinking at Lagos Business School and is a Senior Fellow at the Christopher Kolade Centre for Research in Leadership and Ethics.

She has worked on sustainability and ESG projects within the hospitality, tourism development and financial services sectors. She is regularly called to speak and facilitate leadership retreats on sustainability.



### **Godson Ikiebey**

Godson Ikiebey is a sustainability, ESG and sustainable development advisor. He holds an MSc in Marketing Communication from the School of Media and Communication, Pan-Atlantic University, Lagos, Nigeria.

He has both academic and consulting experience in sustainability, having worked with PricewaterhouseCoopers (PwC), Ernst & Young (EY) and the Lagos Business School, Pan-Atlantic University.



### **Chukwuemeka Smart**

'Emeka is the research manager at Red Clay and holds a Bachelor's Degree in Urban and Regional Planning from the University of Lagos.

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