

## Critical review of « ACCOR Group's environmental footprint - November 2011» report, prepared for ACCOR by PwC

### Background

In August 2011, Bleu Safran and Beyond Green Travel were commissioned by ACCOR to undertake a critical review of the study "ACCOR Group's environmental footprint" prepared by PwC for ACCOR.

The expert panel was formed of the following reviewers:

- Costas Christ, one of the world's leading sustainable tourism experts, CEO and founder of Beyond Green Travel ([www.beyondgreentravel.com](http://www.beyondgreentravel.com)), and Sally Smith, Vice President of Operations at Beyond Green Travel
- Charlotte Hugrel and Magali Palluau, LCA experts, co-founders of Bleu Safran

The intents of this peer review were to improve the overall quality of the study and enhance the credibility of the results and their interpretations.

### Conduct of the critical review

This critical review consisted of an analysis of the report with regard to methodological and technical aspects. The expert panel also reviewed the reasonableness of the findings and interpretation of the results of the study.

The critical review did not involve a review of the database and of the calculation tool used in the study so that all the findings of the review presented here are based solely on the draft and final reports and the discussions with the authors of the study and ACCOR.

The committee was delivered a first version on August 4, 2011, a second version on October 19, 2011 and a final report on November 18, 2011. The review panel held phone conferences and a face-to-face meeting with PwC.

Although no standard currently applies to life cycle assessment (LCA) at an organizational level, main principles of ISO 14040 and ISO 14044 standards were used as guidelines. In completing our work, we mainly focused on the following points of attention:

- Are the objectives, scope, and boundaries of the study clearly identified?
- Does the study employ a sufficiently comprehensive set of environmental indicators? Are these indicators relevant for the hospitality sector?
- Are the assumptions used clearly identified and reasonable?
- Are the sources of data clearly identified and representative?
- Is there sufficient analysis of the sensitivity and uncertainty of the results?
- Is the report complete, consistent, and transparent?
- Are the conclusions appropriate based on the data and analysis?

### Objectives and scope of the study

The various objectives of the study are stated in section 1 in a clear way. ACCOR's decision to consider its direct and indirect environmental impacts at the group level, as one component of its commitment to the principles of sustainable tourism, and to go beyond the extensively used but simplistic focus on climate change, is innovative and forward-thinking.

### **System boundaries and activities taken into account**

The objective of the study being to obtain a complete view of ACCOR's environmental footprint, beyond its direct on-site impacts, the activities potentially included can be very large.

In order to provide clear and understandable information to readers, the expert panel asked for more precise information concerning hotel services and their environmental impacts that were not taken into account (ex: leisure services and recreational services) as well as activities not considered (ex: meals served to the employees and ready meals) and specific exclusions within one activity (ex: building structure items excluded such as external parking, technical installations, etc.).

Moreover, reviewers also pointed out the necessity to consider in the scope of the study:

- laundry drying performed at subcontractors locations (external laundry cleaning activity);
- primary energy consumption from food and beverage production;
- impacts of wastewater discharges (black and grey waters) from hotels on eutrophication.

Regarding this last point, the review panel took note of the decision of ACCOR to exclude impacts of hotels wastewaters on eutrophication due to lack of reliable data concerning the collection and treatment of hotels wastewaters.

With a view to continuous improvement, the reviewers encourage ACCOR to focus on improving the practice and reporting on wastewater treatment in order to assess these impacts into future updates of its environmental footprint.

### **Selection of environmental indicators**

The review panel acknowledged the choice of the five environmental indicators considered as key for the study: energy consumption, water consumption, greenhouse gas emissions, ultimate waste production and eutrophication.

However, the expert panel requested that more information on the rationale for not addressing some environmental issues such as natural resource depletion, acidification, photochemical ozone creation be clearly mentioned in the report.

The expert panel shares PwC's view regarding the current lack of reliable LCA data and LCA methodology on toxicity, ecotoxicity and biodiversity issues.

### **Other methodological issues, assumptions and data sources**

The comments from the review team on draft reports can be summarized as requests for:

- A clear explanation that the study focuses on environmental impacts as one component of sustainability, and does not consider the other two main components of sustainable tourism principles and practices, namely support for the protection of cultural and natural heritage and direct social and economic benefits to local peoples in travel destinations.
- More information to support the description of data sources and assumptions, for example for "air conditioning", "waste management" "building structures" or "food and beverage" activities;
- A much more comprehensive presentation of activity data, for example regarding average composition of breakfast and meals or quantities of office materials consumed in a year;
- Considering additional data sources regarding eutrophication factors for food products and environmental impacts of laundry activities ;

- Sensitivity analysis of some of the parameters considered as key for the study (ex: occupancy rates, life expectancy of hotels).

Most of the reviewer's comments and recommendations to improve the study and to raise the clarity, transparency and consistency of the study report were welcomed and considered by the authors at PwC.

### **Results and Interpretation**

The review panel appreciated the presentation format of the results, which allow to identify the main contributors and to keep in mind the level of reliability of results.

The reviewers and the authors at PwC discussed the presentation of results concerning normalized results (section 4.3). While reviewers fully recognized the benefits of normalized environmental impacts expressed in European inhabitants' equivalent, they advised against any direct comparison of these normalized impacts with equivalences which reflect the activity of Accor's hotels (such as number of guests equivalent staying one year in a Accor hotel based on overnight stays or number of meals served).

Indeed, the services offered by ACCOR partially cover the needs of a European inhabitant in his/her everyday life. For example, they do not include or partially include public transportation, all meals taken during one day, clothes, domestic appliances, commercial buildings, etc., which are taken into account in the calculation of environmental impacts of a European inhabitant.

Similarly, the review panel recommended careful interpretation concerning results broken down by region, brand or management type.

While the main goal of the study was to identify the main environmental impacts at group level, some calculations were based on partial data (for example nature and quantities of food and beverage products based on products purchased for French hotels, residual waste production based on limited audits performed on three hotels in France, rooms' assets of all hotels based on the typical equipment of an Ibis Coquelicot room). Therefore, these partial data were not necessarily representative of all geographical regions or all hotel categories.

The review panel also suggested a more thorough discussion about specific recommendations on how ACCOR can work on reducing its impacts and set priorities for action to this end, specifically with the idea in mind of how this information can be used by regional, group, and individual hotel managers to inform and empower their actions going forward, by demonstrating best practices as a learning tool for other hotel staff and management group-wide

### **Conclusion**

The expert panel overall finds that:

- The final report has been well documented: data sources, assumptions, limitations and precautions in interpretation are correctly described;
- Data, assumptions and methods employed are appropriate given the main goals of the study: obtain a comprehensive view of its environmental impacts and identify the main environmental impacts over the entire life cycle and the key components of the supply chain impacting the Group's environmental performance;
- The results and recommendations seemed to be reasonable, based on the data and methodology presented in the report.

The review panel would like to commend PwC and ACCOR for the overall quality of the study, and more particularly ACCOR for this innovative and ambitious approach to monitor, evaluate, and improve their environmental footprint to globally recognized sustainability standards

The reviewers encourage ACCOR to continue to improve the methodology and the database, to look at how they can use existing systems to track additional indicators that will assist them especially to progressively look more effectively at water eutrophication or biodiversity conservation, and to improve representativeness of data, regarding food and beverage for example. By documenting their lessons learned and best practices, ACCOR is encouraged to use this information to educate their management and staff globally to improve their environmentally-friendly operations across the group.

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