



SUSTAINABILITY ACCOUNTING STANDARD
SERVICES SECTOR

HOTELS & LODGING

Sustainability Accounting Standard

Sustainable Industry Classification System™ (SICS™) #SV0201
Prepared by the
Sustainability Accounting Standards Board®

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Provisional Standard

INTRODUCTION

Purpose & Structure

This document contains the SASB Sustainability Accounting Standard (SASB Standard) for Hotels & Lodging.

SASB Standards are comprised of **(1) disclosure guidance and (2) accounting standards on sustainability topics** for use by U.S. and foreign public companies in their annual filings (Form 10-K or 20-F) with the U.S. Securities and Exchange Commission (SEC). To the extent relevant, SASB Standards may also be applicable to other periodic mandatory filings with the SEC, such as the Form 10-Q, Form S-1, and Form 8-K.

SASB's disclosure guidance identifies sustainability topics at an industry level, which may be material— depending on a company's specific operating context— to a company within that industry.

Each company is ultimately responsible for determining which information is material and is therefore required to be included in its Form 10-K or 20-F and other periodic SEC filings.

SASB's accounting standards provide companies with standardized accounting metrics to account for performance on industry-level sustainability topics. When making disclosure on sustainability topics, companies adopting SASB's accounting standards will help to ensure that disclosure is standardized and therefore useful, relevant, comparable, and auditable.

Industry Description

The Hotels & Lodging industry is composed of companies that provide short-term accommodation, including hotels, motels, and inns, and is dominated by large hotel chains. It is a competitive industry in which customers base purchase decisions on a wide range of factors including quality and consistency of services, availability of locations both domestically and internationally, price, and loyalty program offers. While most major companies are U.S.-based, a handful are international. Businesses are often structured in one or more of the following ways: direct revenue from hotel services, including room rental and food and beverage sales; management and franchise services with fee revenue from property management; and vacation residential ownership with revenue from sales of residential units.

Note: Select companies in the Hotels & Lodging industry are also engaged in activities of the Restaurants industry. SASB standards for such activities are outlined in the Restaurants industry standards. For the purposes of this standard, it is assumed that Hotels & Lodging companies do not provide food and beverage services, and therefore issues around food safety, waste, and sourcing, which may be material for companies in the industry that offer food and beverages, are not covered by this standard.

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Guidance for Disclosure of Material Sustainability Topics in SEC Filings

1 . Industry-Level Sustainability Disclosure Topics

For the Hotels & Lodging industry, SASB has identified the following sustainability disclosure topics:

- Energy & Water Management
- Ecosystem Protection & Climate Adaptation
- Fair Labor Practices

2 . Company-Level Determination and Disclosure of Material Sustainability Topics

Sustainability disclosures are governed by the same laws and regulations that govern disclosures by securities issuers generally. According to the U.S. Supreme Court, a fact is material if, in the event such fact is omitted from a particular disclosure, there is “a substantial likelihood that the disclosure of the omitted fact would have been viewed by the reasonable investor as having significantly altered the ‘total mix’ of the information made available.”^{1,2}

SASB has attempted to identify those sustainability topics that it believes may be material for all companies within each SICs industry. SASB recognizes, however, that each company is ultimately responsible for determining what is material to it.

Regulation S-K, which sets forth certain disclosure requirements associated with Form 10-K and other SEC filings, requires companies, among other things, to describe in the Management’s Discussion and Analysis of Financial Condition and Results of Operations (MD&A) section of Form 10-K “any known trends or uncertainties that have had or that the registrant reasonably expects will have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. If the registrant knows of events that will cause a material change in the relationship between costs and revenues (such as known future increases in costs of labor or materials or price increases or inventory adjustments), the change in the relationship shall be disclosed.”²

Furthermore, Instructions to Item 303 state that the MD&A “shall focus specifically on material events and uncertainties known to management that would cause reported financial information not to be necessarily indicative of future operating results or of future financial condition.”²

In determining whether a trend or uncertainty should be disclosed, the SEC has stated that management should use a two-part assessment based on probability and magnitude:

- First, a company is not required to make disclosure about a known trend or uncertainty if its management determines that such trend or uncertainty is not reasonably likely to occur.
- Second, if a company’s management cannot make a reasonable determination of the likelihood of an event or uncertainty, then disclosure is required unless management determines that a material effect on the registrant’s financial condition or results of operation is not reasonably likely to occur.

¹ TSC Industries v. Northway, Inc., 426 U.S. 438 (1976).

² C.F.R. 229.303(item 303)(a)(3)(ii).

3 . Sustainability Accounting Standard Disclosures in Form 10-K

a. Management's Discussion and Analysis

Companies should consider making disclosure on sustainability topics as a complete set in the MD&A, in a sub-section titled **"Sustainability Accounting Standards Disclosures."**³

b. Other Relevant Sections of Form 10-K

In addition to the MD&A section, companies should consider disclosing sustainability information in other sections of Form 10-K, as relevant, including:

- **Description of business**—Item 101 of Regulation S-K requires a company to provide a description of its business and its subsidiaries. Item 101(c)(1)(xii) expressly requires disclosure regarding certain costs of complying with environmental laws:

Appropriate disclosure also shall be made as to the material effects that compliance with Federal, State and local provisions which have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, may have upon the capital expenditures, earnings and competitive position of the registrant and its subsidiaries.

- **Legal proceedings**—Item 103 of Regulation S-K requires companies to describe briefly any material pending or contemplated legal proceedings. Instructions to Item 103 provide specific disclosure requirements for administrative or judicial proceedings arising from laws and regulations that target discharge of materials into the environment or that are primarily for the purpose of protecting the environment.
- **Risk factors**—Item 503(c) of Regulation S-K requires filing companies to provide a discussion of the most significant factors that make an investment in the registrant speculative or risky, clearly stating the risk and specifying how a particular risk affects the particular filing company.

c. Rule 12b-20

Securities Act Rule 408 and Exchange Act Rule 12b-20 require a registrant to disclose, in addition to the information expressly required by law or regulation, "such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading."

More detailed guidance on disclosure of material sustainability topics can be found in the **SASB Conceptual Framework**, available for download via <http://www.sasb.org/approach/conceptual-framework/>.

³ SEC [Release Nos. 33-8056; 34-45321; FR-61] [Commission Statement about Management's Discussion and Analysis of Financial Condition and Results of Operations](#): "We also want to remind registrants that disclosure must be both useful and understandable. That is, management should provide the most relevant information and provide it using language and formats that investors can be expected to understand. Registrants should be aware also that investors will often find information relating to a particular matter more meaningful if it is disclosed in a single location, rather than presented in a fragmented manner throughout the filing."

Guidance on Accounting of Material Sustainability Topics

For sustainability disclosure topics in the Hotels & Lodging industry, SASB identifies accounting metrics.

SASB recommends that each company consider using these sustainability accounting metrics when disclosing its performance with respect to each of the sustainability topics it has identified as material.

As appropriate—and consistent with Rule 12b-20⁴—for each sustainability topic, companies should consider including a narrative description of any material factors necessary to ensure completeness, accuracy, and comparability of the data reported. Where not addressed by the specific accounting metrics, but relevant, the registrant should discuss the following, related to the topic:

- The registrant's **strategic approach** to managing performance on material sustainability issues;
- The registrant's competitive positioning;
- The **degree of control** the registrant has;
- Any measures the registrant has undertaken or plans to undertake to improve performance; and
- Data for the registrant's **last three completed fiscal years** (when available).

SASB recommends that registrants use SASB Standards specific to their primary industry as identified in the [Sustainable Industry Classification System \(SICS™\)](#). If a registrant generates significant revenue from multiple industries, SASB recommends that it consider the materiality of the sustainability issues that SASB has identified for those industries and disclose the associated SASB accounting metrics.

Users of the SASB Standards

The SASB Standards are intended for companies that engage in public offerings of securities registered under the Securities Act of 1933 (the Securities Act) and those that issue securities registered under the Securities Exchange Act of 1934 (the Exchange Act),⁵ for use in SEC filings, including, without limitation, annual reports on Form 10-K (Form 20-F for foreign issuers), quarterly reports on Form 10-Q, current reports on Form 8-K, and registration statements on Forms S-1 and S-3. Nevertheless, disclosure with respect to the SASB Standards is not required or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

⁴ SEC Rule 12b-20: "In addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading."

⁵ Registration under the Securities Exchange Act of 1934 is required (1) for securities to be listed on a national securities exchange such as the New York Stock Exchange, the NYSE Amex, and the NASDAQ Stock Market or (2) if (A) the securities are equity securities and are held by more than 2,000 persons (or 500 persons who are not accredited investors) and (B) the company has more than \$10 million in assets.

Scope of Disclosure

Unless otherwise specified, SASB recommends:

- That a registrant disclose on sustainability issues and metrics for itself and for entities in which the registrant has a controlling interest and therefore are consolidated for financial reporting purposes (controlling interest is generally defined as ownership of 50% or more of voting shares);⁶
- That for consolidated entities, disclosures be made, and accounting metrics calculated, for the whole entity, regardless of the size of the minority interest; and
- That information from unconsolidated entities not be included in the computation of SASB accounting metrics. A registrant should disclose, however, information about unconsolidated entities to the extent that the registrant considers the information necessary for investors to understand its performance with respect to sustainability issues (typically, this disclosure would be limited to risks and opportunities associated with these entities).

Reporting Format

Activity Metrics and Normalization

SASB recognizes that normalizing accounting metrics is important for the analysis of SASB disclosures.

SASB recommends that a registrant disclose any basic business data that may assist in the accurate evaluation and comparability of disclosure, to the extent that they are not already disclosed in the Form 10-K (e.g., revenue, EBITDA, etc.).

Such data—termed “activity metrics”—may include high-level business data such as total number of employees, quantity of products produced or services provided, number of facilities, or number of customers. It may also include industry-specific data such as plant capacity utilization (e.g., for specialty chemical companies), number of transactions (e.g., for Internet media and services companies), hospital bed days (e.g., for health care delivery companies), or proven and probable reserves (e.g., for oil and gas exploration and production companies).

Activity metrics disclosed should:

- Convey contextual information that would not otherwise be apparent from SASB accounting metrics.
- Be deemed generally useful for users of SASB accounting metrics (e.g., investors) in performing their own calculations and creating their own ratios.
- Be explained and consistently disclosed from period to period to the extent they continue to be relevant. However, a decision to make a voluntary disclosure in one period does not obligate a continuation of that disclosure if it is no longer relevant or if a better metric becomes available.

⁶ See US GAAP consolidation rules (Section 810).

Where relevant, SASB recommends specific activity metrics that—at a minimum—should accompany SASB accounting metric disclosures.

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE
Number of available room-nights	Quantitative	Number	SV0201-A
Average occupancy rate ⁷	Quantitative	Rate	SV0201-B
Total area of lodging facilities ⁸	Quantitative	Square meters (m ²)	SV0201-C
Number of lodging facilities and the percentage that are: (1) managed, (2) owned and leased, (3) franchised	Quantitative	Number, Percentage (%)	SV0201-D

Units of Measure

Unless specified, disclosures should be reported in International System of Units (SI units).

Uncertainty

SASB recognizes that there may be inherent uncertainty when disclosing certain sustainability data and information. This may be related to variables such as the imperfectness of third-party reporting systems or the unpredictable nature of climate events. Where uncertainty around a particular disclosure exists, SASB recommends that the registrant should consider discussing its nature and likelihood.

Estimates

SASB recognizes that scientifically-based estimates, such as the reliance on certain conversion factors or the exclusion of *de minimis* values, may be necessary for certain quantitative disclosures. Where appropriate, SASB does not discourage the use of such estimates. When using an estimate for a particular disclosure, SASB expects that the registrant discuss its nature and substantiate its basis.

Timing

Unless otherwise specified, disclosure shall be for the registrant's fiscal year.

Limitations

There is no guarantee that SASB Standards address all sustainability impacts or opportunities associated with a sector, industry, or company, and therefore, a company must determine for itself the topics—sustainability-related or otherwise—that warrant discussion in its SEC filings.

Disclosure under SASB Standards is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations. Where such laws or regulations address legal or regulatory topics, disclosure

⁷ Note to **SV0201-B** - Measured as the number of occupied room-nights divided by the number of available room-nights across all properties.

⁸ Note to **SV0201-C** - The scope includes any facilities that were under the control of the registrant (owned, operated, leased, or franchised) during any portion of the fiscal year.

under SASB Standards is not meant to supersede those requirements. Disclosure according to SASB Standards shall not be construed as demonstration of compliance with any law, regulation, or other requirement.

SASB Standards are intended to be aligned with the principles of materiality enforced by the SEC. However, SASB is not affiliated with or endorsed by the SEC or other entities governing financial reporting, such as FASB, GASB, or IASB.

Forward-looking Statements

Disclosures on sustainability topics can involve discussion of future trends and uncertainties related to the registrant's operations and financial condition, including those influenced by external variables (e.g., environmental, social, regulatory, and political). Companies making such disclosures should familiarize themselves with the safe harbor provisions of Section 27A of the Securities Act and Section 21E of the Exchange Act, which preclude civil liability for material misstatements or omissions in such statements if the registrant takes certain steps, including, among other things, identifying the disclosure as "forward-looking" and accompanying such disclosure with "meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the forward-looking statements."

Assurance

In disclosing to SASB Standards, it is expected that registrants disclose with the same level of rigor, accuracy, and responsibility as they apply to all other information contained in their SEC filings.

SASB encourages registrants to use independent assurance (attestation); for example, an Examination Engagement to AT Section 101.

The following sections contain the disclosure guidance associated with each accounting metric such as guidance on definitions, scope, accounting, compilation, and presentation.

The term "shall" is used throughout this document to indicate those elements that reflect requirements of the Standard. The terms "should" and "may" are used to indicate guidance, which, although not required, provides a recommended means of disclosure.

Table 1. Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE
Energy & Water Management	Total energy consumed, percentage grid electricity, percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	SV0201-01
	Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress	Quantitative	Cubic meters (m ³), Percentage (%)	SV0201-02
Ecosystem Protection & Climate Adaptation	Number of lodging facilities located in FEMA Special Flood Hazard Areas or foreign equivalent	Quantitative	Number	SV0201-03
	Number of lodging facilities in or near areas of protected conservation status or endangered species habitat	Quantitative	Number	SV0201-04
	Description of environmental management policies and practices to preserve ecosystem services	Discussion and Analysis	n/a	SV0201-05
Fair Labor Practices	(1) Voluntary and (2) involuntary employee turnover rate for hotel employees	Quantitative	Percentage (%)	SV0201-06
	Amount of legal and regulatory fines and settlements associated with labor law violations ⁹	Quantitative	Number, U.S. Dollars (\$)	SV0201-07
	Average hourly wage for hotel employees, by region; percentage of hotel employees earning minimum wage	Quantitative	U.S. Dollars (\$), Percentage (%)	SV0201-08

⁹ Note to SV0201-07: Disclosure shall include a description of fines and settlements and corrective actions implemented in response to events.

Energy & Water Management

Description

Hotel buildings require a relatively large amount of energy and water resources to operate, which represent a significant portion of hotel operating expenses. The majority of the industry's electricity usage is commercially purchased. This purchased electricity indirectly leads to the release of greenhouse gas (GHG) emissions, which is a large contributor to climate change. The extensive use of water, particularly in water-stressed regions, may lead to supply constraints that make large hotels difficult to operate and could increase the costs of water resources. Companies in the industry are implementing energy and water management best practices in order to reduce operating expenses and environmental impacts and improve their reputations with guests, who are increasingly concerned about environmental sustainability.

Accounting Metrics

SV0201-01. Total energy consumed, percentage grid electricity, percentage renewable

- .01 The registrant shall disclose total energy consumption from all sources as an aggregate figure in gigajoules or their multiples.
 - The scope includes energy purchased from sources external to the organization or produced by the organization itself (self-generated).
 - The scope includes only energy consumed by entities owned or controlled by the organization.
 - The scope includes energy from all sources including direct fuel usage, purchased electricity, and heating, cooling, and steam energy.
- .02 In calculating energy consumption from fuels and biofuels, the registrant shall use higher heating values (HHV), also known as gross calorific values (GCV), which are directly measured or taken from the Intergovernmental Panel on Climate Change (IPCC), the U.S. Department of Energy (DOE), or the U.S. Energy Information Administration (EIA).
- .03 The registrant shall disclose purchased grid electricity consumption as a percentage of its total energy consumption.
- .04 The registrant shall disclose renewable energy consumption as a percentage of its total energy consumption.
- .05 The scope of renewable energy includes renewable fuel the registrant consumes and renewable energy the registrant directly produces, purchases through a renewable power purchase agreement (PPA) that explicitly includes renewable energy certificates (RECs), or for which Green-e Energy Certified RECs are paired with grid electricity.
 - For any renewable electricity generated on-site, any RECs must be retained (i.e., not sold) and retired on behalf of the registrant in order for the registrant to claim them as renewable energy.

- For renewable PPAs, the agreement must explicitly include and convey that RECs be retained and retired on behalf of the registrant in order for the registrant to claim them as renewable energy.
- The renewable portion of the electricity grid mix that is outside of the control or influence of the registrant is excluded from disclosure.¹⁰
- Renewable energy is defined as energy from sources that are capable of being replenished in a short time through ecological cycles, such as geothermal, wind, solar, hydro, and biomass.

.06 For the purposes of this disclosure, the scope of renewable energy from hydro and biomass sources is limited to the following:

- Energy from hydro sources that are certified by the Low Impact Hydropower Institute.
- Energy from biomass sources is limited to sources that are considered “eligible renewables” according to the Green-e Energy National Standard Version 2.4 or that are eligible for a state Renewable Portfolio Standard.

.07 The registrant shall apply conversion factors consistently for all data reported under this disclosure, such as the use of HHVs for fuel usage (including biofuels) and conversion of kWh to gigajoules (including for electricity from solar or wind energy).

SV0201-02. Total water withdrawn, percentage recycled, percentage in regions with High or Extremely High Baseline Water Stress

.08 The registrant shall disclose the amount of water (in cubic meters) that was withdrawn from fresh water sources for use in operations.

- Fresh water may be defined according to the local statutes and regulations where the registrant operates. Where there is no regulatory definition, fresh water shall be considered to be water that has a total dissolved solids (TDS) concentration of less than 1000 mg/l per the Water Quality Association [definition](#).
- Water obtained from a water utility can be assumed to meet the definition of fresh water.

.09 The registrant shall disclose the total amount of water by volume (in cubic meters) that was recycled during the fiscal year. This figure shall include the amount recycled in closed-loop and open-loop systems.

- Any volume of water reused multiple times shall be counted as recycled each time it is recycled and reused.

.10 Using the World Resources Institute’s (WRI) Water Risk Atlas tool, Aqueduct (publicly available online [here](#)), the registrant shall analyze all of its operations for water risks and identify facilities that are in a location with High (40–80%) or Extremely High (>80%) Baseline Water Stress. Water withdrawn in locations with High or Extremely High Baseline Water Stress shall be indicated as a percentage of the total water withdrawn.

¹⁰ SASB recognizes that RECs reflect the environmental attributes of renewable energy that have been introduced to the grid, and that a premium has been paid by the purchaser of the REC to enable generation of renewable energy beyond any renewable energy already in the grid mix, absent the market for RECs.

Ecosystem Protection & Climate Adaptation

Description

Hotels operating near environmentally sensitive areas and in coastal regions are exposed to inclement weather and flooding that can impact hotel operations. Additionally, the influx of tourists and the waste generated by hotels can present risks to sensitive ecosystems such as coral reefs and nature preserves. Poor environmental protection practices may preclude hotels from obtaining new construction licenses in these sensitive areas and could, in the long term, diminish natural attractions for tourists that help to generate revenue for communities and hotels. Additionally, inclement weather may damage property and disrupt operations, thereby reducing assets and revenues. Hotel operators will have to adapt to shifting climate trends such as rising sea levels, hurricanes, and flooding in order to maintain revenue-generating properties and local communities that rely on tourism.

Accounting Metrics

SV0201-03. Number of lodging facilities located in FEMA Special Flood Hazard Areas or foreign equivalent

.11 The registrant shall disclose the number of its lodging facilities that are located in special flood hazard areas, where:

- FEMA Special Flood Hazard Areas (SFHA) are defined as land areas covered by the floodwaters of the base flood on National Flood Insurance Program (NFIP) maps. The SFHA is the area where the NFIP's floodplain management regulations must be enforced, and the area where the mandatory purchase of flood insurance applies. The SFHA includes Zones A, AO, AH, A1-30, AE, A99, AR, AR/A1-30, AR/AE, AR/AO, AR/AH, AR/A, VO, V1-30, VE, and V. Examples of Special Flood Hazard Areas include coastal floodplains, floodplains along major rivers, and areas subject to flooding from ponding in low-lying areas.¹¹
- The scope of disclosure includes U.S.-based facilities that are designated by FEMA as SFHA, as well as non-U.S.-based facilities.
- For non-U.S.-based facilities that fall outside of the scope of FEMA, the foreign equivalent is the area that will be inundated by the flood event having a one-percent chance of being equaled or exceeded in any given year (i.e., the 100-year floodplain).¹²

SV0201-04. Number of lodging facilities in or near areas of protected conservation status or endangered species habitat

.12 The registrant shall disclose the number of lodging facilities operated, owned, leased, or franchised in sites with protected conservation status, or areas of endangered species habitat, where:

- Lodging facilities are considered to be in areas of protected conservation status if they are located within:
 - International Union for Conservation of Nature (IUCN) Protected Areas (categories I-VI).

¹¹ FEMA [National Flood Insurance Program Reform - Frequently Asked Questions](#)

¹² FEMA [National Flood Insurance Program: Flood Hazard Mapping](#)

- Ramsar Wetlands of International Importance.
- UNESCO World Heritage Sites.
- Biosphere Reserves recognized within the framework of UNESCO's Man and Biosphere (MAB) Programme.
- Natura 2000 sites.
- Sites that meet the IUCN's definition of a protected area: "A protected area is a clearly defined geographical space, recognized, dedicated, and managed through legal or other effective means to achieve the long term conservation of nature with associated ecosystem services and cultural values."¹³
- These sites may be listed in the World Database of Protected Areas (WDPA) and mapped on ProtectedPlanet.net.

.13 Lodging facilities are considered to be in or near endangered species habitat if they are in or near areas where species on the IUCN Red List of Threatened Species that are classified as Critically Endangered (CR) or Endangered (EN) are extant.

- A species is considered extant in an area if it is a resident, present during breeding or non-breeding seasons, or if it makes use of the area for passage.
- For the purposes of this disclosure, "near" is defined as within five kilometers (km) of the boundary of an area of protected conservation status or an endangered species habitat.

.14 The registrant may choose to separately identify properties in areas with additional ecological, biodiversity, or conservation designations such as those listed by the [A-Z Guide of Areas of Biodiversity Importance](#) prepared by the United Nations Environment Programme's World Conservation Monitoring Centre (UNEP-WCMC).

.15 The registrant may choose to provide discussion around lodging facilities that are located in protected areas or endangered species habitat but that present low risk to biodiversity or ecosystem services. The registrant may choose to provide similar discussion for lodging facilities located in areas with no official designation of high biodiversity value but that present high biodiversity or ecosystem services risks.

SV0201-05. Description of environmental management policies and practices to preserve ecosystem services

.16 The registrant shall provide a brief description of its environmental management plan(s) and its policies and practices relating to preservation of ecosystem services, where:

- Ecosystem service is defined as a service people obtain from the environment, based on the transformation of natural assets (soil, plants, animals, air, and water) into things that are directly valued. Ecosystem services can be viewed as (a) provisioning, which refers to use for resources such as food and water; (b) regulating, which refers to uses such as flood and disease control; (c) cultural, which refers to uses that are spiritual, recreational, or provide cultural benefits; or (d) supporting, which refers to those systems that maintain the conditions for life on Earth.¹⁴

¹³ N. Dudley, (ed.), *Guidelines for Applying Protected Areas Management Categories* (Gland, Switzerland: IUCN, 2008), pp. 8-9.

¹⁴ <http://www.iucn.org/iyb/about/>

- The scope of disclosure includes, where relevant:
 - Lifecycle stages to which the plan(s) apply, such as: design, construction, commissioning, operation, decommissioning, closure, or, where applicable, post-closure.
 - The topics addressed by the plan(s), including:
 - Policies to reduce impacts on the ecosystems, such as ecological and biodiversity impacts, waste generation, noise impacts, emissions to air, discharges to water, natural resource consumption, and tourism impacts.
 - Adaptation measures to minimize impact from changes in ecosystem services as may occur with climate change or other external pressures, such as changes in legal protections for sensitive areas or limitations on resource consumption.
 - The underlying references for its plan(s), including whether they are codes, guidelines, standards, or regulations and whether they were developed by the registrant, an industry organization, a third-party organization (e.g., a non-governmental organization), a governmental agency, or some combination of these groups.
- .17 Where applicable and relevant, the registrant shall describe specific policies and practices that apply to areas with protected conservation status and/or areas of critical habitat, which are [defined](#) by the International Finance Corporation (IFC) as:
- Areas with high biodiversity value, including (i) habitat of significant importance to Critically Endangered and/or Endangered species; (ii) habitat of significant importance to endemic and/or restricted-range species; (iii) habitat supporting globally significant concentrations of migratory species and/or congregatory species; (iv) highly threatened and/or unique ecosystems; and/or (v) areas associated with key evolutionary processes.¹¹
- .18 If the management policies and practices do not apply to all of the registrant's sites or operations, it shall indicate the percentage of sites to which they were applied.
- .19 The registrant shall disclose the degree to which its policies and practices are aligned with IFC [Performance Standards on Environmental and Social Sustainability](#), January 1, 2012, specifically including:
- Performance Standard 1—Assessment and Management of Environmental and Social Risks and Impacts.
 - Performance Standard 3—Resource Efficiency and Pollution Prevention.
 - Performance Standard 6—Biodiversity Conservation and Sustainable Management of Living Natural Resources.
- .20 Additional relevant references may include:
- [Global Sustainable Tourism Criteria for Hotels and Tour Operators](#) (2008), developed by Rainforest Alliance, the United Nations Environment Programme (UNEP), the United Nations Foundation, and the United Nations World Tourism Organization (UNWTO).

- [Convention on Biological Diversity Guidelines on Biodiversity and Tourism](#) (2004), published by the Secretariat of the Convention on Biological Diversity.
- [Sustainable Hotel Siting, Design and Construction](#) (2005) published by the Prince of Wales International Business Leaders Forum and Conservation International
- [Indicators of Sustainable Development for Tourism Destinations: A Guidebook](#) (2004) published by the United Nations World Tourism Organisation.

Fair Labor Practices

Description

The Hotels & Lodging industry is highly reliant on labor to operate large facilities. An engaged workforce that is able to provide guests with a pleasurable experience is a key value driver for hotel companies. The industry is characterized by low union participation, low wages, seasonality, shift and night work, and low skill requirements. The majority of workers are women and minorities, which raises the risk of unfair labor and discriminatory practices. These characteristics can lead to low job satisfaction that results in high turnover and potential lawsuits, which contribute to increased expenses for hotel operators. Hotels actively working to prevent discriminatory practices and ensure fair wages can help to improve worker satisfaction and reduce turnover.

Accounting Metrics

SV0201-06. (1) Voluntary and (2) involuntary employee turnover rate for hotel employees

- .21 The registrant shall disclose employee turnover for hotel employees as a percentage, where:
- Turnover shall be calculated and disclosed separately for voluntary and involuntary departures.
- .22 The registrant shall calculate the voluntary turnover percentage as the total number of employee-initiated voluntary separations (such as resignation, retirement, etc.) during the fiscal year, divided by the total number of employees during the fiscal year.
- .23 The registrant shall calculate the involuntary turnover percentage as the total number of registrant-initiated separations (such as dismissal, downsizing, redundancy, non-renewal of contract, etc.) during the fiscal year, divided by the number of employees during the fiscal year.

SV0201-07. Amount of legal and regulatory fines and settlements associated with labor law violations

- .24 The registrant shall disclose the amount (excluding legal fees) of all fines and settlements associated with fair labor practices, including, but not limited to, those related to violations of the Fair Labor Standards Act, such as those relating to wages, work hours, overtime, and meal and rest breaks.
- .25 Disclosure shall include civil actions (e.g., civil judgment, settlements, or regulatory penalties) and criminal actions (e.g., criminal judgment, penalties, or restitutions) taken by any entity (government, businesses, or individuals).

Note to SV0201-07

- .26 The registrant shall briefly describe the nature (e.g., guilty plea, deferred agreement, or non-prosecution agreement) and context (e.g., improper working conditions, unfair compensation, etc.) of fines and settlements.
- .27 The registrant shall describe any corrective actions it has implemented as a result of each incident. This may include, but is not limited to, specific changes in operations, management, processes, products, business partners, training, or technology.

SV0201-08. Average hourly wage for hotel employees, by region; percentage of hotel employees earning minimum wage

- .28 The registrant shall disclose the average hourly wage, in U.S. dollars, for hotel employees for each geographic region for which it conducts segment financial reporting^[1], where:
- Hotel employees are defined as non-manager employees earning an hourly wage.
 - The scope of disclosure includes employees of company-owned and franchise locations.
 - The scope of disclosure excludes salaried and corporate employees.
 - The average hourly wage is calculated as the total hotel employee wages, including tips, for the fiscal year, divided by the number of hours worked by hotel employees during the fiscal year.
- .29 The registrant shall disclose the percentage of hotel employees earning minimum wage before tips, where:
- Minimum wage is defined as the local or prevailing minimum wage applicable for each worker.
 - For countries or regions with no prevailing minimum wage requirement, the 10th percentile hourly wage, in U.S. dollars, of all wage earners in that country or region shall be used for this disclosure, including in the calculation of the percentage of staff earning minimum wage as well as the calculation of the average prevailing minimum wage.
- .30 The registrant should disclose the average prevailing minimum wage, weighted on an hours-worked basis, for each geographic region for which it conducts segment financial reporting.
- .31 The registrant may choose to discuss its sensitivity to future adjustments in minimum wage.
- The discussion should include what percentage of its employees would be affected by an increase in the federal minimum wage.

^[1] As determined by FASB Accounting Standards Codification Topic 280, *Segment Reporting*

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