



CSR in the Travel and Tourism Industry in Myanmar

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Outline of the afternoon

1. Issues, context and brands
2. CSR in travel and tourism: The challenges
3. The Myanmar context

4. Making CSR strategic
5. Exercise
6. What next?



Corporate Social Responsibility: Issues, Context and Brands

The business case for CSR

- Brand and reputation
- Risk management
- Trust from stakeholders
- Attracting and retaining labour
- Attracting investors
- Business to business opportunities
- Private sector's contribution to development

Tracking the issues in Asia:

	2009	2010	2011
1	Climate change	Climate change	Climate change and water
2	Corporate governance	Corporate governance	Corporate governance, disclosure and reporting
3	Labour (supply chains) and human resources	Water	Labour issues and supply chains
4	Environmental issues	Supply chains	Community development and poverty alleviation
5	Partnerships with stakeholders	Community development and poverty alleviation	Biodiversity and access to natural resources

CSR Asia, "CSR in 10" research, 2011

Who matters in Asia?

The stakeholders influencing CSR are, in order:

	2009	2010	2011
1	Governments and politicians	Governments and politicians	NGOs, civil society organizations, local communities
2	NGOs and civil society organizations	Companies themselves	Investors and financial institutions (stock exchanges)
3	Companies themselves	NGOs and civil society organizations	Governments and politicians (new regulations and incentives)
4	Investors and financial institutions	Investors and financial institutions	Companies themselves
5	Consumers	Media (including social media)	Consumers and consumer organizations

CSR Asia, "CSR in 10" research, 2011

Hot topics for tourism and travel.....

Environmental damage



Waste

Energy

Pollution

Toxic
chemicals

Climate change

The impact of climate change will disproportionately affect those people who did not cause it

What risk does it pose to you?



Copyright 1991 by Marjazi Vrecko / Tsunami Bay Gallery

The Blomstrandbreen glacier, Norway, 1918 and 2002



Climate change: The risks



- Sea level rises ranging from 1 to 6 metres
- Freak weather incidents
- Flooding and drought
- Water
- Impacts on biodiversity and nature
- Impacts on business (particularly tourism)

Water



Environment and conservation



Employment practices

Are hotels service sector sweatshops?

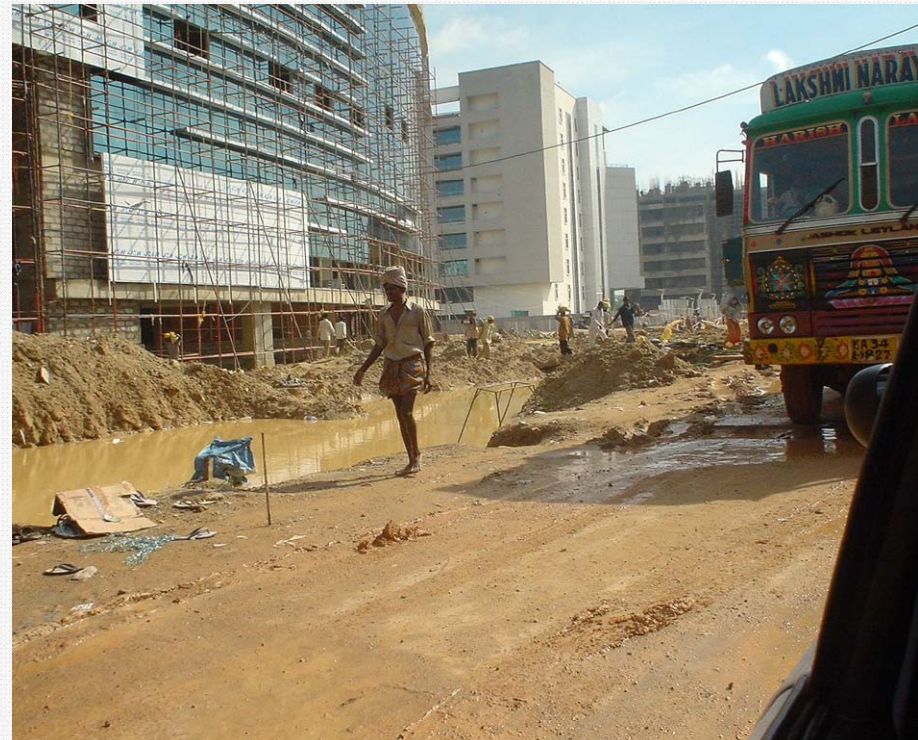


Community impacts



Health and safety

- The invisible problem in the life-cycle of hotels
- Poor records and data collection
- Good regulations but poor enforcement



Public health



Brands: Are these businesses socially responsible?

Are these companies socially responsible?



Risks...

There are simply huge risks of not having a comprehensive CSR programme!





The tourism-watchdog *Tourism Concern* has accused Hilton Hotels of short changing local communities and habitat destruction, despite its claims to be clean and green.

Too often, argues Tourism Concern, CSR is used as an opportunity for companies operating in tourism to make shareholders and the public believe that the companies operate ethically and with integrity.

Tourism Concern is using the Hilton Hotels to prove its case that whatever CSR policies are published, unless they are integrated fully into the business operation, they are meaningless.

More than just towels...

Making business sense of CSR

We might make people's dreams come true, but there are those that people travel and tourism contributes to future nightmares.

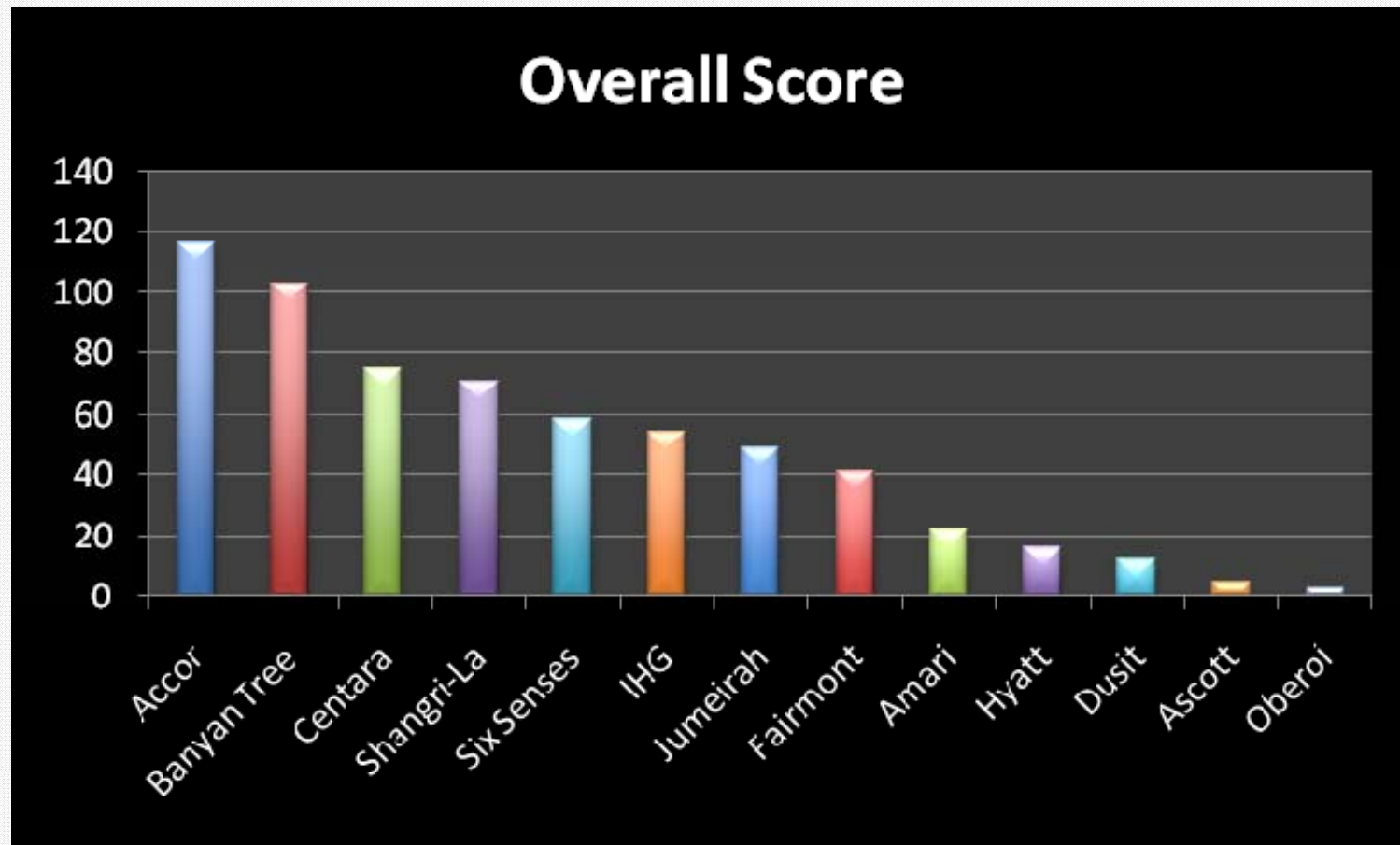
David Hooley, May 2009

So what's in it for you?

- Cost savings
- Local reputation and image
- Corporate clients
- Better relationships with local communities, local government, politicians, regulators etc.
- Staff satisfaction, engagement and implications for recruitment and retention
- Customer satisfaction and repeat business
- Personal development opportunities and having some fun!
- What are the opportunities in your business?



Benchmarking hotels:



The future for CSR in Myanmar?

“I would like to request those who have invested or who are thinking of investing in Burma to put a premium on

- respect for the law,
- environmental and social factors,
- the rights of workers,
- job creation, and
- the promotion of technological skills

Such an approach would not only be in line with a global sense of responsibility, it would lead in the long run to greater benefits for all concerned”

Aung San Suu Kyi, World Economic Forum, 28 January

Entirely consistent with the ISO 26000 emphasis on:

- Respect for the rule of law
- Social and environmental responsibility
- Labour practices and labour rights
- Job creation, income generation
- Skills development
- Technology transfer

The future for tourism in Myanmar?

“The challenge is to reap the benefits of a vibrant tourism industry that would give a much needed boost to the economy while keeping negative consequences to a minimum ... Positive discrimination in favour of businesses engaged in effective [community] outreach programmes and environmental conservation should be encouraged.”

NLD statement released 20 May 2011

What do you see as the biggest social and environmental challenges for travel and tourism in Myanmar over the coming decade?

Making CSR strategic

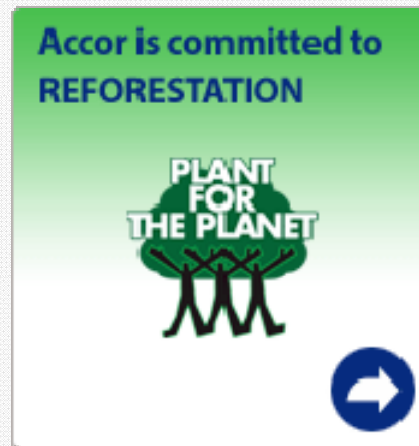
More than just towels...

Who is taking a lead?

We might make people's dreams come true, but there are those that argue travel and tourism contributes to future nightmares.

Travel World, May 2009

Sustainability at Accor



Accor is announcing the launch of Earth Guest Research, a platform for sharing knowledge on social and environmental issues relating to the hotel industry. The platform aims to contribute to progress in the tourism industry by making sustainable development surveys and methodologies available to all industry operators, as well as to the general public. To identify effective improvement drivers and win customer support, the Group decided to start by finding out exactly what hotel guests' concerns and expectations are with regard to sustainable development.

Banyan Tree Lijiang

The property tries to promote and integrate sustainable development practices in its property and among the region's thriving tourism industry including impoverished local communities.

CSR is a key brand value of Banyan Tree to achieve positive and sustainable outcomes for business, environment and community issues.



Shangri-La: It's in our nature



Centara

Centara Hotels & Resorts is committed to support our good corporate governance practice and ethics with local governmental agencies, international organizations and our supply chain in order to ensure our goals in accordance with environmental and sustainable awareness.

In late 2007, Centara Hotels & Resorts entered into an agreement with "Green Globe", the leading Global Benchmarking and Certification programme for the tourism and hospitality industry to achieve world certification in sustainability. It is the aim of Centara Hotels & Resorts to have the majority of their hotels benchmarked with Green Globe in the next two years.

Centara Hotels & Resorts has made an active commitment to take action against the commercial sexual exploitation of children with a partnership with ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes).

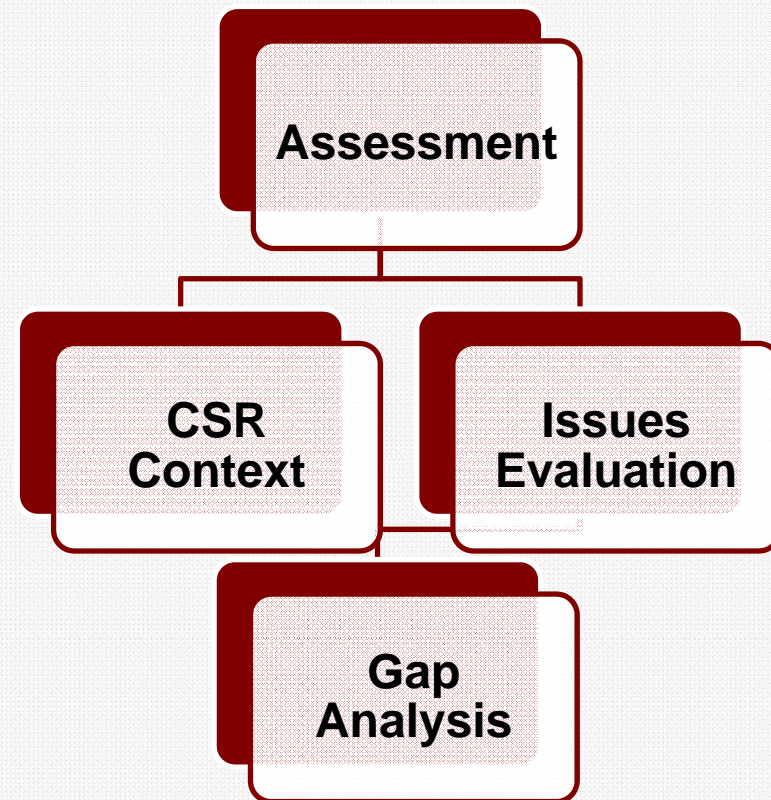
Implementing CSR



Assessment

The process:

- Determine current degree of application of principles and issues in the local context
- Gap analysis: Highlight strengths and weaknesses



Due diligence and risk assessment

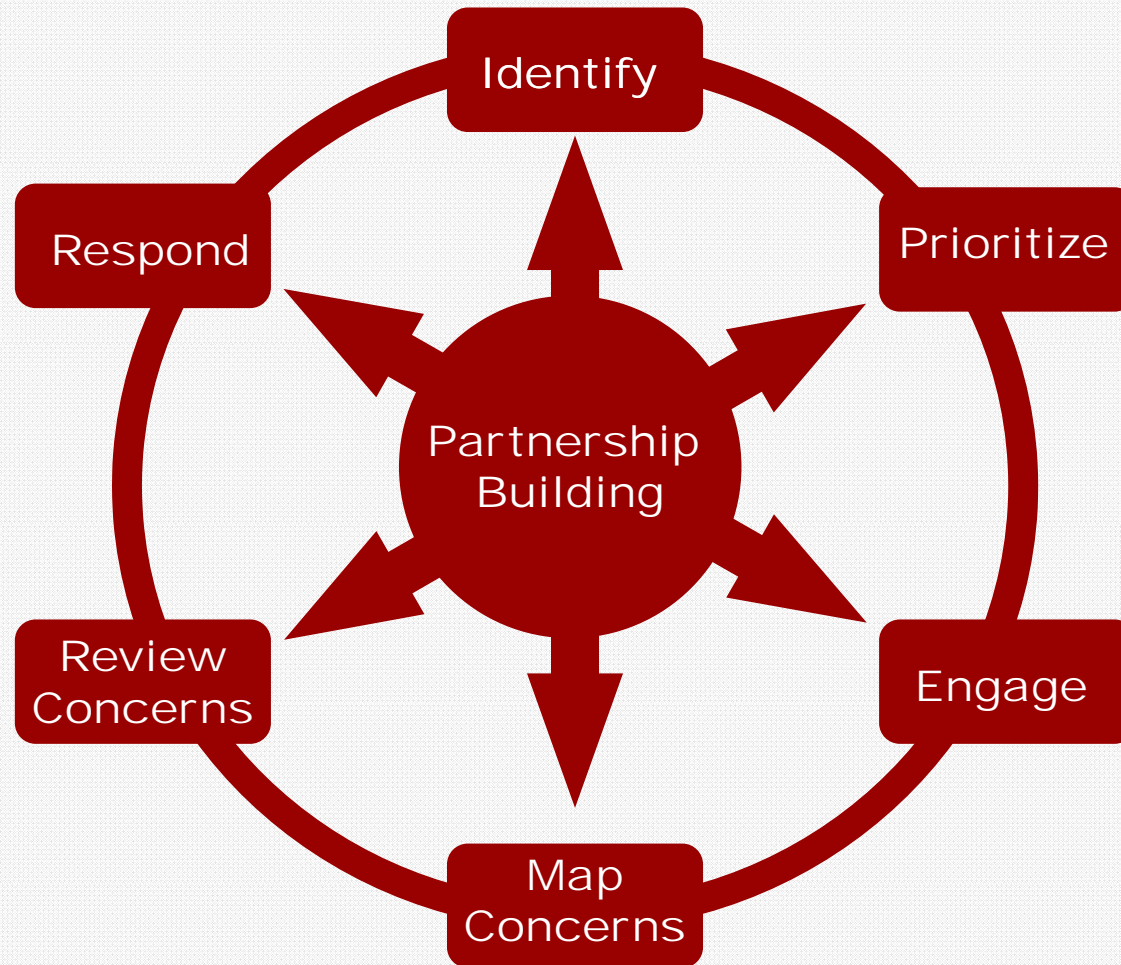
Impact

Catastrophic	Yellow	Orange	Red	Red	Black
Significant	Yellow	Orange	Red	Red	Red
Moderate	Yellow	Yellow	Orange	Orange	Red
Minor	White	White	Yellow	Yellow	Orange
Insignificant	White	White	White	White	Yellow
	Negligible	Rare	Unlikely	Possible	Probable

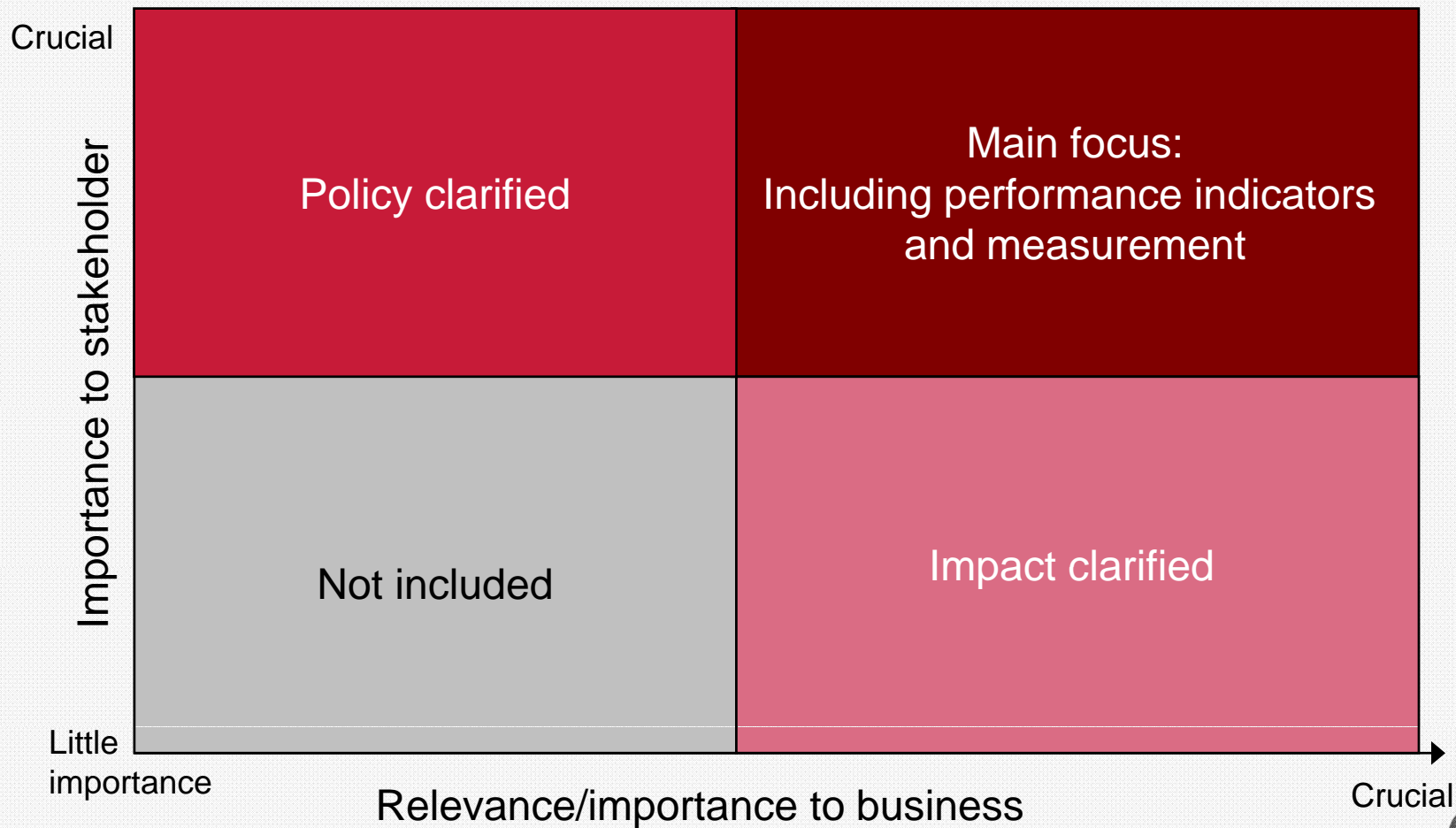
Black	Act now
Red	Prioritize
Orange	Regularly assess
Yellow	Periodically monitor
White	Keep in view

Likelihood

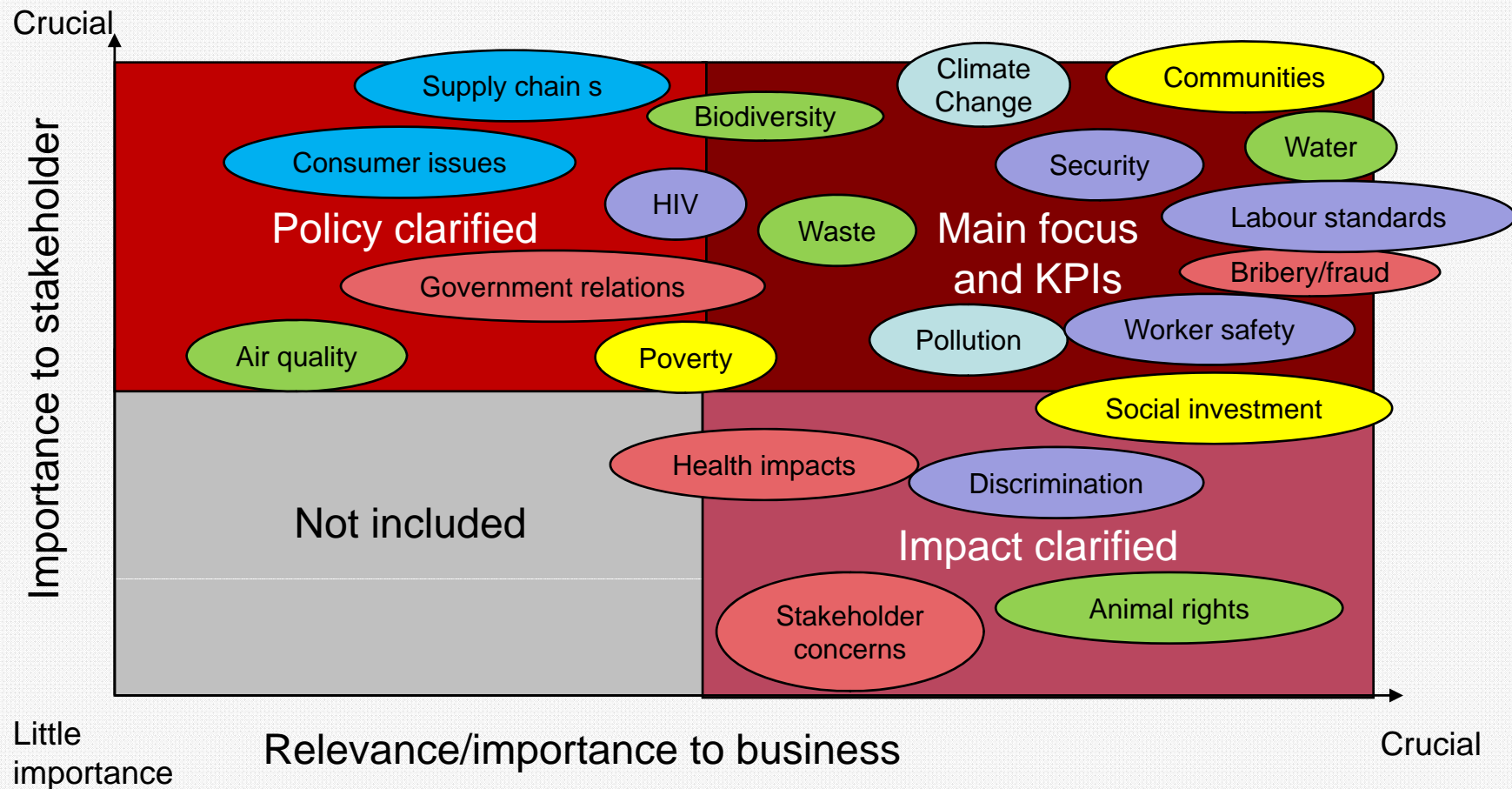
Stakeholder engagement



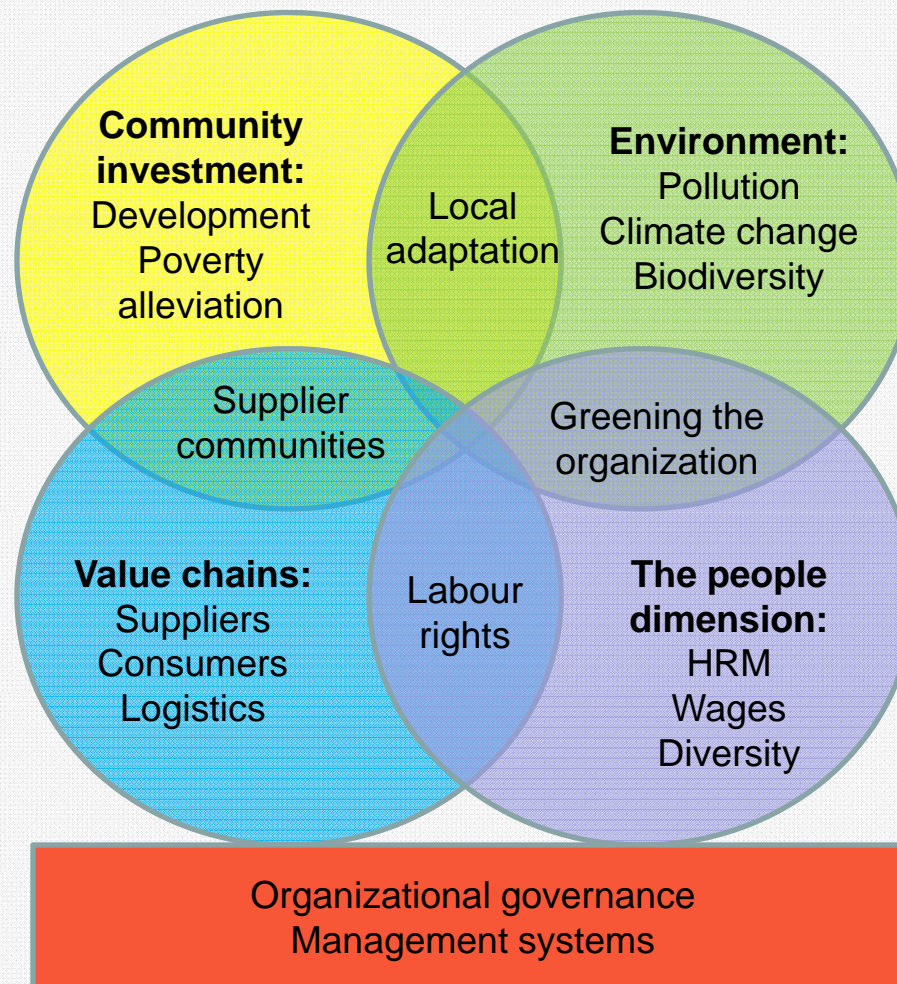
Materiality matrix



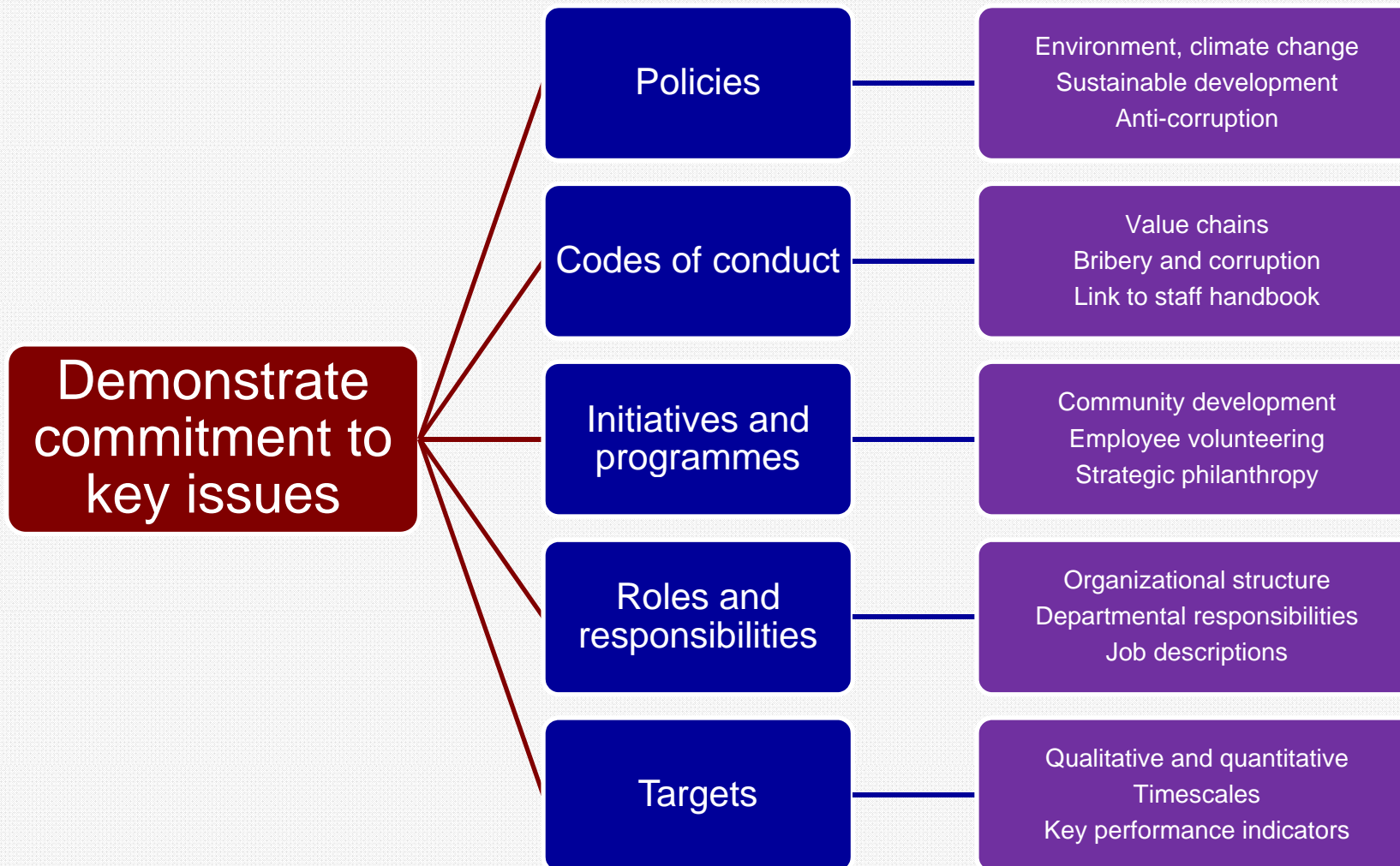
Example: Materiality of issues



Example: Identifying key issues



Strategy development



Communication on social responsibility

The role of communications in social responsibility

Demonstrate accountability and transparency

Disclosure of information relating to corporate responsibility

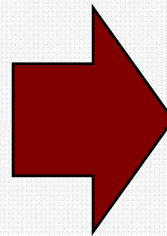
Demonstrating how the organization meets its commitments

Raising awareness inside and outside the organization

Providing information about the impacts of the organization's operations

Helping to engage and create dialogue with stakeholders

Enhancing the organization's reputation and brand



Characteristics of information relating to social responsibility

Understandable

Responsive

Accurate

Balanced

Timely

Available

Exercise

1. What are the key challenges to be tackled in the travel and tourism sector in Myanmar? (Think about risks and opportunities)
2. Who are the important stakeholders to be engaged?
3. How might hotels, tour operators, airlines and others work together to create a responsible industry?

What next?

- Need for a thorough stakeholder engagement (on responsible business in the travel and tourism sector) inside and outside of Myanmar
- Industry risk and opportunities assessment
- Capacity building for staff and key stakeholders
- Cooperation between industry and stakeholders in a new commitment to CSR
- Key players should take a lead in strategic CSR
- New social responsibility standards



Thank you!

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