

CSR4 TOURISM

**Business Innovation Practices to
your Business**

1. SUMMARY

In this module, you will find:

Introduction

Data Management

- **Managing Data**
- **Reporting Data**

Project Management Tools

- **CSR in Project Management**
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Long-Term Strategies and Planning

- **Benefits of CSR Strategy for Businesses**
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2. INTRODUCTION

Corporate Social Responsibility and Innovation are key drivers to business growth and even more so in the tourism sector. Indeed, the tourism industry is intrinsically connected to the constant evolution of societal trends and environmental needs for sustainability. Therefore, tourism businesses are perpetually challenged to innovate to provide services and tackle issues that are in line with the current goals at local,

national, or global level. Tourism businesses need to approach these challenges as opportunities for innovation that will contribute to positive social and sustainable advancements. At the core of business practices that support CSR, transparent and organised data management, human-centred project management tools, sustainable planning and fair financial strategies, are key factors for innovation within a business.

3. DATA MANAGEMENT

3.1 MANAGING DATA

Each business produces and relies on a significant amount of data. As the world of data keeps expanding, businesses have to manage larger amounts of data as they grow. If data is a core asset of a business, managing large amounts of data can be costly and challenging. Data is gathered either internally or bought externally from clients and end users, it needs to be processed, and then stored. These steps require a lot of human work and effective digital performance, as well as physical storage space. Each step needs to respect ethical practices, such as ethical and transparent way of data collection and human rights work load in the data processing; but also be aware of the environmental footprint data storage can have, with the need for big infrastructures to store the data centres, as well as the electricity and water consumed by those centres. Thus, it is essential for businesses to manage their data efficiently in order to meet these challenges and follow a sustainable CSR approach. The benefits of good data management for a business can be seen at internal, environmental, and financial levels. Businesses can choose to map out their data with an internal standardised reference system or can use the services of a data processing agency. Sorting out the data helps reduce the amount of data that needs to be processed, hence reducing processing costs and storage requirements. It also helps ensure that the data is accurate, consistent, and reported in a transparent manner, and it helps in avoiding data duplication, reducing potential errors, saving time, making the data easier to share, ensuring research integrity and validation of results, ensuring accountability, and making better business decisions. If managed internally, the processing of data should be organised by a person in charge of following the CSR approach, such as the Chief Data Officer. The Chief Data Officer not only ensures that the business removes unnecessary data and contributes to the responsible image of the business, they also ensure that the data

is reported according to the CSR and European directives on data transparency and accountability.

Learning tool: [Webinar about data management](#)

3.2 REPORTING DATA

Reporting data is making your business data accessible to the public. As stated on the European Commission website page on Corporate Sustainability reporting, “EU law requires all large companies and all listed companies (except listed micro-enterprises) to disclose information on their risks and opportunities arising from social and environmental issues, and on the impacts of their activities on people and the environment.” The [Corporate Sustainability Reporting Directive](#) (CSRD) has been drafted in European laws since 2017, and was first adopted by countries such as France and Denmark. It officially entered into force on January 5th 2023, providing a new set of rules on the disclosure of social and environmental information that businesses have to report. Businesses have to report their data according to European Sustainability Reporting Standards (ESRS) in order to report consistently and transparently on the businesses’ non-financial activities such as:

- environmental matters
- social matters and treatment of employees
- respect for human rights
- anti-corruption and bribery
- diversity on company boards (in terms of age, gender, educational and professional background)

The directive ensures that the data is reported in a uniform way across the EU.

The data that is being reported provides information about the state of the business. It is not only about the financial information of the business, but also the non-financial information, which answers basic questions based on the CSR approach. Reporting can be done through a list of recorded facts and figures, in an Excel file or data visualisation tool.

Learning tool: [watch this webinar on how to report your business data following the CSRD.](#)

4. PROJECT MANAGEMENT TOOLS

4.1 CSR IN PROJECT MANAGEMENT

The core reason for starting a project or a business is because a change is needed. If a business seeks to generate profit, it also seeks to create a positive change, whether it is through a product, a service, a strategy, or a programme. However starting a project involves a lot of aspects much bigger than the project itself. One key aspect of a project is the people who are involved in it, the stakeholders. These stakeholders can be customers, consumers, suppliers, government, local communities where the project will take place. In the tourism industry especially, engaging with stakeholders is an essential step from the development phase of a project all the way to the management of the project. Managing a project also means to take into account the environmental impact the project might have. If a project is made to generate profit, it can have a cost on society and/or on the environment, therefore it is the project's corporate responsibility to reinvest its profits to contribute positively to society and the environment. Thus project managers have the responsibility to implement CSR strategies in all aspects of the project, from its creation to its implementation. They take responsibility for the impact that the project activities have, not only from a law perspective, but also through a voluntary initiative of contributing to the improvement of the quality of society in general.

4.2 TOOLS FOR RESPONSIBLE PROJECT MANAGEMENT

In order to achieve the project's goals while respecting the CSR approach and directive, project managers can make use of a variety of tools that have either an environmental or social focus. Many tools that can be applied to all types of businesses exist to ensure that the project follows environmental standards. For tourism projects and businesses, it is necessary to integrate tools that support the sustainability concepts of cleaner production, environmental management, or ecotourism, amongst others. Some tools that provide valuable insights as to what the impact of the project is in this specific sector, are assessment tools. The matrix below provides a clear vision of some assessment tools and for which sustainable



tourism concepts they are best applicable. Each tool is described comprehensively in this [comparative review](#).

<i>Tools</i>	<i>Concepts</i>				
	<i>Ecotourism</i>	<i>Cleaner production</i>	<i>Environmental management</i>	<i>Ecolabelling</i>	<i>Tourism carrying capacity</i>
Sustainability Indicators (SI)	✓✓	✓✓	✓✓	✓✓	✓✓
Environmental Impact Assessment (EIA)	✓	✓	✓✓	✓	✓✓
Life Cycle Assessment (LCA)	✓	✓✓	✓✓	✓	-
Environmental Auditing (EA)	✓✓	✓✓	✓✓	✓✓	✓✓
Ecological Footprint (EF)	✓	✓✓	✓✓	-	-
Multi-Criteria Analysis (MCA)	-	✓✓	✓✓	-	-
Adaptive Environmental Assessment (AEA)	✓	✓	✓✓	✓	✓✓

Notes: ✓✓ : Tool is currently used to support the concept for sustainability assessment in tourism.
 ✓ : Tool has been used in other industries and has been promoted by tourism researchers to support the concept, but has not yet been used for tourism.
 - : Tool is not designed for and cannot be used to support the concept.

[Image source.](#)

5. LONG TERM STRATEGIES AND PLANNING

5.1 BENEFITS OF CSR STRATEGY FOR BUSINESSES

As business and projects are required to be more and more impact oriented to be in line with the current social and environmental issues, it is essential for a business to have clear goals and to implement corporate responsibility strategies. Setting corporate responsibility goals can be a very challenging task and is unique to each business as the goals are tied with the business' brand, strategy, and culture. Having a CSR approach when planning and setting goals have many benefits for a business. Some of these benefits are:

- CSR adds value to a business, eventually helping build a stronger brand image and a good corporate reputation.
- CSR helps boost competitiveness as the business builds a stronger relation with the customers, increasing customer loyalty and sales.
- CSR helps reduce operational costs as the business invests efficiently.
- CSR improves the business' employees' commitment and helps retain talents.
- CSR improves the reliability of a business and increases the willingness of investors to support the business.
- CSR improves the business' understanding and compliance to laws and directives, thus reducing the regulatory burden of the business.

5.2 INTEGRATING CSR IN THE BUSINESS' LONG-TERM STRATEGY

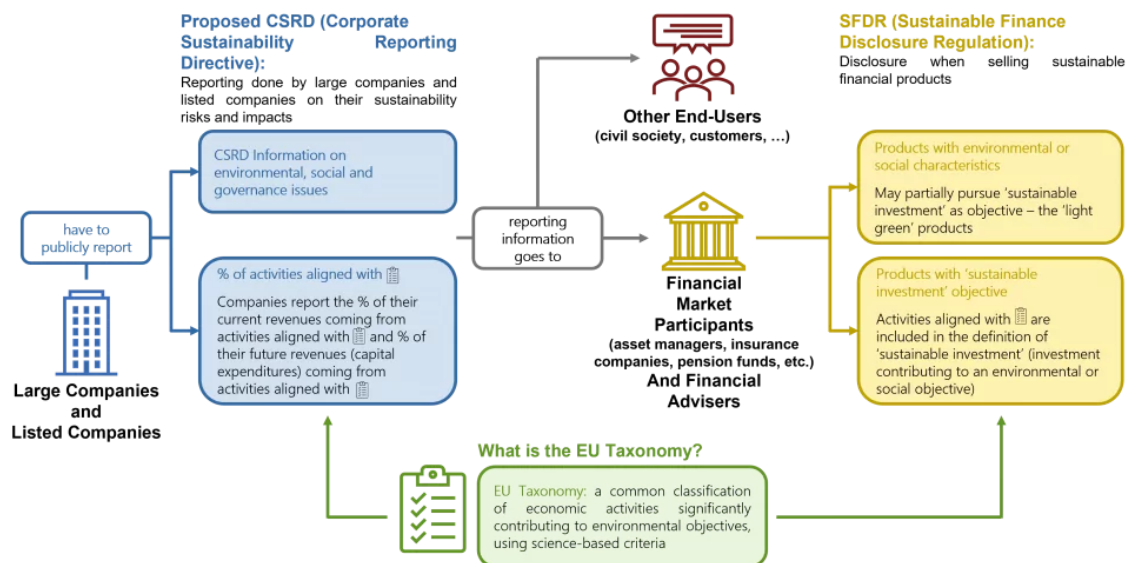
A strong social and environmental strategy needs to be built in order for CSR practices to be effective in a business. In order to take advantage of the full benefits of the CSR approach, the business' long term strategy needs to be brand aligned, transparent, well-founded, and public-driven. The business must have a clear understanding and vision of the CSR value and how it can be integrated to its strategic planning. Incorporating CSR to a business strategy is now considered best practice, and each business needs to define its CSR concept. One first step in integrating CSR into the business' strategies is by getting insights directly from the stakeholders through customer polls, employee feedback, or community need assessment. Involving stakeholders in the early stages of the business' strategy

process is key to identifying the common areas of interests and needs that can be implemented in the business strategy while linking them with the business' CSR. This first step leads the business towards establishing its fundamental values and developing a strategy around them that remains authentic in the long term. The business values and CSR concept need to be turned into specific goals and outcomes that are aligned with the business' identity and remain consistent with the ongoing actions of the business during its life cycle. Remaining true to the business goals for the long term is key to a successful integration of CSR strategy as one other important aspect of the CSR approach is transparency. It is essential that the business' employees are trained on the business' CSR concept in order for the entire team to be working towards the same goal based on shared knowledge. Ultimately, integrating CSR in the business strategy cannot exclude the importance for assessing, reporting, and being responsive to emerging needs. Employees can be trained. A long-term vision is therefore necessary for a business to follow a path that remains consistent with its purpose and values, while remaining true to the CSR practices.

6. FINANCIAL OPPORTUNITIES

6.1 THE EU SUSTAINABLE FINANCE FRAMEWORK

In line with the CSRD and the EU's push for improving data reporting, a sustainable finance strategy is also mentioned as part of the Green Deal. Also called the SFDR, the Sustainable Finance Disclosure Regulation requires that financial companies disclose information about the sustainability impacts of their financial products in order to ensure a greater transparency in business processes throughout Europe. This directive is targeted at companies that provide a financial service, banks, and insurances, and is complementary to the CSRD, together being part of the EU Sustainable Finance Framework which anchors sustainability factors at various levels of the economy. The graph below gives an overview of what this strategy entails.



[Image source](#)

6.2 FINANCIAL OPPORTUNITIES FOR BUSINESSES THROUGH CSR

If adopting a CSR strategy can be seen as being costly, a CSR-oriented strategy can actually bring financial benefits to a business. Indeed, a CSR strategy can help improve financial performance by reducing data management costs, increasing customer satisfaction and loyalty, increasing internal innovation capabilities, and enhancing the business' reputation. Therefore, a CSR strategy can have a positive impact on the business' profit as it minimises investments and maximises results. This return on investment can only be seen after sustaining a long term strategy. However, if a business can obtain strategic financial gain through CSR, the business also needs to act responsibly and a "cost benefit analysis" might be a good tool for a business to identify the financial opportunities that the CSR approach can bring. Financial benefits are highlighted by Orlitzky, Schmidt, and Rynes, who have found a correlation between social/environmental performance and financial performance. Indeed, as the need for consumers to trust a business is now greater than ever, CSR can be a significant benefit to the business as the consumers trust more responsible

businesses. In a nutshell, there are several financial advantages for a business to adopt the CSR strategy:

1. increased sales and customer loyalty
2. operational costs savings
3. better financial performance
4. greater ability to attract talent and retain staff

7. REFERENCES AND “IF YOU WANT TO LEARN MORE”

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