

IUCN Private Sector Engagement

Tourism Promotion Services Pakistan Limited (TPS-P) Summary of Due Diligence Report

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PART A: Introduction

Hotels are at the hub of the tourism industry and it is this sector of the tourism industry in which activities such as construction of buildings and landscaping; cooking and disposal of waste; use of water and energy tend to affect the environment adversely if not properly managed.

Tourism Promotion Services (TPS) seeks to develop tourism potential in selected areas in the developing world, particularly in underserved regions. It builds, rehabilitates and manages hotels and lodges that contribute to economic growth and the overall investment climate in an environmentally and culturally sensitive manner. TPS often seeks to develop properties in less-traveled areas that require accommodation of an international standard – accommodation that supports tourism and business development – but which often are ignored by commercial hotel chains. At each hotel, the policy is to minimize the impact on the local environment while seeking to maximize socio-economic benefits to the local economy.

Tourism Promotion Service Pakistan Ltd (TPS-P) is operating through its chain of hotels and resorts under the brand name of “Serena” in six cities of Pakistan. The flagship hotel of the company is “Islamabad Serena Hotel” which is a five-star deluxe hotel and a member of the “*Leading Hotels of the World*”. It stands out amongst its competitors because of its architecture, quality of service and guest satisfaction. Most of the Serena Hotels are in less-traveled areas of the country such as Faisalabad, Quetta, Swat, Gilgit and a resort in Hunza, which require accommodation of an international standard to support tourism and business development. The distinctive traditional expression of local cultures and architecture blended with modern amenities to provide highest levels of personal service to the guests is the main feature of these hotels and resorts.

▪ **Basic Company Information**

TPS-P, a group company of the Agha Khan Foundation for Economic Development (AKFED), was established in Pakistan on March 19, 1969 and is an unlisted public limited company, registered under the Companies Ordinance 1984. The mission of TPS-P is to create buildings of outstanding ethnic design, whilst offering the highest standards of service and product, providing its management and team members with an environment which enables it to deliver operating standards beyond the level of its guests’ expectations, thus resulting in satisfactory returns to its stakeholders. TPS-P practices responsible attitudes towards energy conservation, reducing and recycling waste, sewage disposal, environmental conservation, air emission, and ecological conservation and boasts of a self sustained natural environment.

• **Company Contact Details:**

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PART B: Basic CSR information

▪ **General**

Corporate Policies:

TPS-P has classified its corporate environmental policy as follows:

"We must conserve rather than exploit"

"We will be sensitive to the conservation of environmentally protected or threatened areas, species and scenic, aesthetics and to achieving landscape enhancement where possible, with indigenous plant material reinforcement".

TPS-P practices a responsible attitude towards energy conservation, reducing and recycling waste, control of sewage disposal, air emission, pollutants and reduction in use of any environmentally unfriendly products.

TPS-P has undertaken many management initiatives in 2008 to establish a corporate level Health, Safety and Environmental Management System integrated with its overall management system. TPS-P has formally launched its Environmental Policy and Occupational Health and Safety Policy in 2007. For translating these policies into actions, manuals and procedures are being developed by HSE consultant for the incorporation of health, safety and environmental components to be integrated into training programmes.

Environment:/Social

TPS-P is committed to developing its resorts paying the highest regard to environmental concerns in design, planning, construction and operation. TPS-P is sensitive towards the monitoring of the interests of the local population including their traditions, culture and future development.

In November 2008, Serena Hotels received the 2008 Skål International Ecotourism Awards, which highlight responsible tourism practices around the world. Serena Hotels won the award in the Global Corporate Establishments category.

Serena Hotels Pakistan won the prestigious 6th Annual Environmental Excellence Award (AEEA) in 2009. This is the third time in a row that Serena Hotels has won this award in the last three years. This is a very unique award and is governed and ratified by the National Forum for Environment and Health (NFEH).

i) Development of Environmental Management Systems Procedures

TPS-P, in order to implement its Environmental Policy has taken action to continuously develop a quality-based Environmental Management System (EMS) that will help to provide a framework for setting up an environment-focused management system that may be certified against any international standard like ISO 14001 or Green Globe 21 norms,

ii) Development of OH&S Guidelines

Similarly, for implementation of Occupational Health & Safety Policy TPS-P has developed Occupational Health & Safety Guidelines that will help to set up a framework for establishing an Occupational Health & Safety Management System, to be certified according to an international standards like OHSAS 18001.

In recognition of the services of TPS-P for promotion of environmental protection and education in the country, the National Forum for Environmental Health awarded the Environment Excellence Award for the year 2008 to TPSP-P. All such activates and achievements encouraged has encourages TPS-P to establish a formal social and environmental education development program.

iii) Establishment of SEED Programme

In May 2007, TPS-P established a new comprehensive CSR initiative titled Social and Environmental Education Development (SEED) programme.

Serena Hotels Pakistan aims through its SEED programme (Serena Environmental and Educational Development Programme) to influence changes in environmental/biodiversity performance standards in its resorts and its supply chains. The company has started to enhance 'resource efficiency' through emission reductions, reduction in water wastage systems, energy efficiency and waste management systems. They aim to contribute to host community's sustainable development through holistic approaches that address the numerous and interlinked development challenges faced by them. In 2009, the World Environment Day was celebrated with full motivation towards environmental responsibility and with a desire to achieve the best practices in their operations.

IV) HSE Training

During staff induction training, the HSE component has become an essential part. HSE consultants conduct the training sessions. The following are integral to the training:

- The company has to Identify and evaluate the main impacts of its activities on the environment.
- The company has to ensure that it systematically controls the consumption of water and energy resources and that any residues are managed properly.
- Maintain a register of the environmental legislation that affects the activity and it also guarantees that it will be complied with and kept up to date
- The company has to ensure that it makes appropriate changes in order to optimize energy consumption.
- Residue management system has to be complied with and the task will be handled with responsibility.
- Involvement of volunteers and students for carrying out environmental audits.
- Encourage good environmental practices at home among employees.

Community:

TPS-P believes in playing an active role in supporting the community, which also includes playing a vital role in the social and economic development of Pakistan. The company CSR program goes beyond the idea of philanthropy and donations whereby they take into full account the impact that TPS-P creates on all stakeholders and on the environment when making decisions. They understand that the need for an educated, environmentally friendly and economically healthy society is Pakistan's key to ensuring sustainable development.

- Serena issues compensatory cheques to the displaced employees of Swat Serena hotel, as a gesture of support and solidarity.
- Serena issues a grant to the international organization 'Save the Children'. This grant is basically aimed at the War affected children in Swat, helping them to go back to schools.
- Serena organizes Blood Donation Campaign across all its properties, aimed at supporting the IDP's of Swat and the thalassaemia patients.
- Awareness is built among not only the employees but also the community about the true value of the forestry and its priceless scenic value.
- The company takes radical steps in increasing the representation of the women at all levels of operations.
- Employment of disabled personnel is encouraged, so that the company can stand out differently in the community as an equal opportunity employer.

Media and Stakeholder Analysis

• Positive/Negative Press

In general, the press media in Pakistan does not cover the hotel and tourism sector extensively since this sector has little share in the overall business sector of the country. Approximately 90% of the internet query results focused on **general TPS business activities** including acquisitions, financial data, earnings, holdings, growth and general business dealings globally.

General perception about TPS and their business practice is very positive. There is substantial data highlighting advancements and enhanced processes to benefit local communities and the global environment. Their image in the press is one of a leader who actively pursues the goal of sustainable development.

The negative press found did not relate to environmental issues but was in relation to the ongoing conflict in Pakistan.

▪ Benefits of engaging

The IUCN Mission is: *to influence, encourage and assist societies throughout the world to conserve the integrity and diversity of nature and to ensure that any use of natural resources is equitable and ecologically sustainable.*

The BBP in Asia aims: *to mobilise the private sector and the conservation community in the Asia region to engage with one and other to cultivate long-term partnerships that will deliver conservation results across the region and, at the same time enhance sustainable development.*

Collaboration with TPS-P can potentially enhance the IUCN mission and programme in a number of ways:

- TPS as a global company is a “green” enterprise”, i.e. a business whose activities lead to conservation benefits. Green enterprises are a priority sector for engagement in IUCN’s broad categorization.
- The TPS global policies would be translated to their operations in Pakistan. In addition AKFED is a highly respected and credible entity.
- An engagement with a big player in the eco-tourism industry could become exemplary for other similar engagements (for example with smaller ecotourism companies)
- The company appears strongly committed to environmental protection and community development. As a successful company globally, TPS offers another channel and voice for conveying messages about the benefits of sustainable tourism to other companies and the Government. Collaboration may also provide opportunities to promote the wider uptake of IUCN’s work/guidelines relevant to sustainable tourism.
- There may also be an opportunity to show that luxury eco-tourism benefits, often the preserve of elites, can flow to local communities and environments, i.e. to increase the equitability of luxury tourism operations.
- Collaboration may offer potential site-specific benefits for biodiversity conservation and sustainable livelihoods in some key areas of Pakistan.

IUCN is committed to managing risks associated with this partnership through transparency, inclusiveness, open communications, ongoing monitoring and external verification.

The likelihood of the partnership faltering remains extremely low for a number of reasons:

- A reputation risk is present for both IUCN and TPS-P and both organisations are keen to show that good conservation outcomes can be achieved.
- TPS-P has the influence of its mother company TPS and AKFED
- Both TPS and AKFED are leaders in sustainable development

Residual risk in day to day engagement as with any partnership will remain, and this should be managed by the relationship manager, the IUCN Pakistan office and the Asia Regional office.

Care should be taken in ensuring that IUCN's work is of the highest quality, based on sound scientific evidence, adequately peer reviewed and that the appropriate project governance structures are in place to ensure that IUCN's independence and integrity is maintained.

IUCN should reserve the right to publicly communicate any opinion or concerns about any issues related to this engagement.

Business engagements in Pakistan are still relatively new and this work could affect crucial relationship development with its in-country members. At this point there seems to be general agreement of IUCN's role in engaging business. However this could change rapidly if any problems with the relationship were to arise.

With continued engagement with TPS-P IUCN will draw on the expertise and knowledge of its membership. IUCN could call on its network to assist with gathering necessary scientific information and in convening forums to gather stakeholder input. Seeking to not only inform and seek advice but actively involve interested members and key stakeholders in this work is seen as a positive - something that IUCN does well. IUCN will have to balance the expectations of its membership and the wider conservation community with those of the Government of Pakistan and TPS-P.

IUCN-P places high priority on engagement with the National and State Governments. In order to form longstanding positive Industry-Conservation relationships this will be of utmost importance.

It is important that EIA's conducted for new developments are undertaken with scientific rigour, is independent and objective and is carried out within adequate time. It is important that IUCN advises TPS-P on the adequacy of the ToR, on the consultants appointed to carry out the EIA as well to provide advice on its scientific content enabling the EIA to measure up to international standards. If TPS-P does not consult IUCN in this process, it may prove to be a significant risk if a sub-standard EIA is cleared by Government.

It is important that there is complete buy-in on this engagement from all sectors of TPS-P (i.e. from finance, business development, the projects team) and commitment from a strong environmental/CSR team. Committed human and financial resources are key to successful implementation. Non-commitment would pose a substantial risk to IUCN as the standards and protocols are developed.

IUCN believes in promoting longstanding positive Industry-Conservation relationships. Its private sector vision is that policy makers and business communities actively incorporate environmental concerns into their daily operations and decision-making practices, resulting in sustainable development and conservation practices that can be replicated to other industry sectors both within Asia and to other regions of the world.