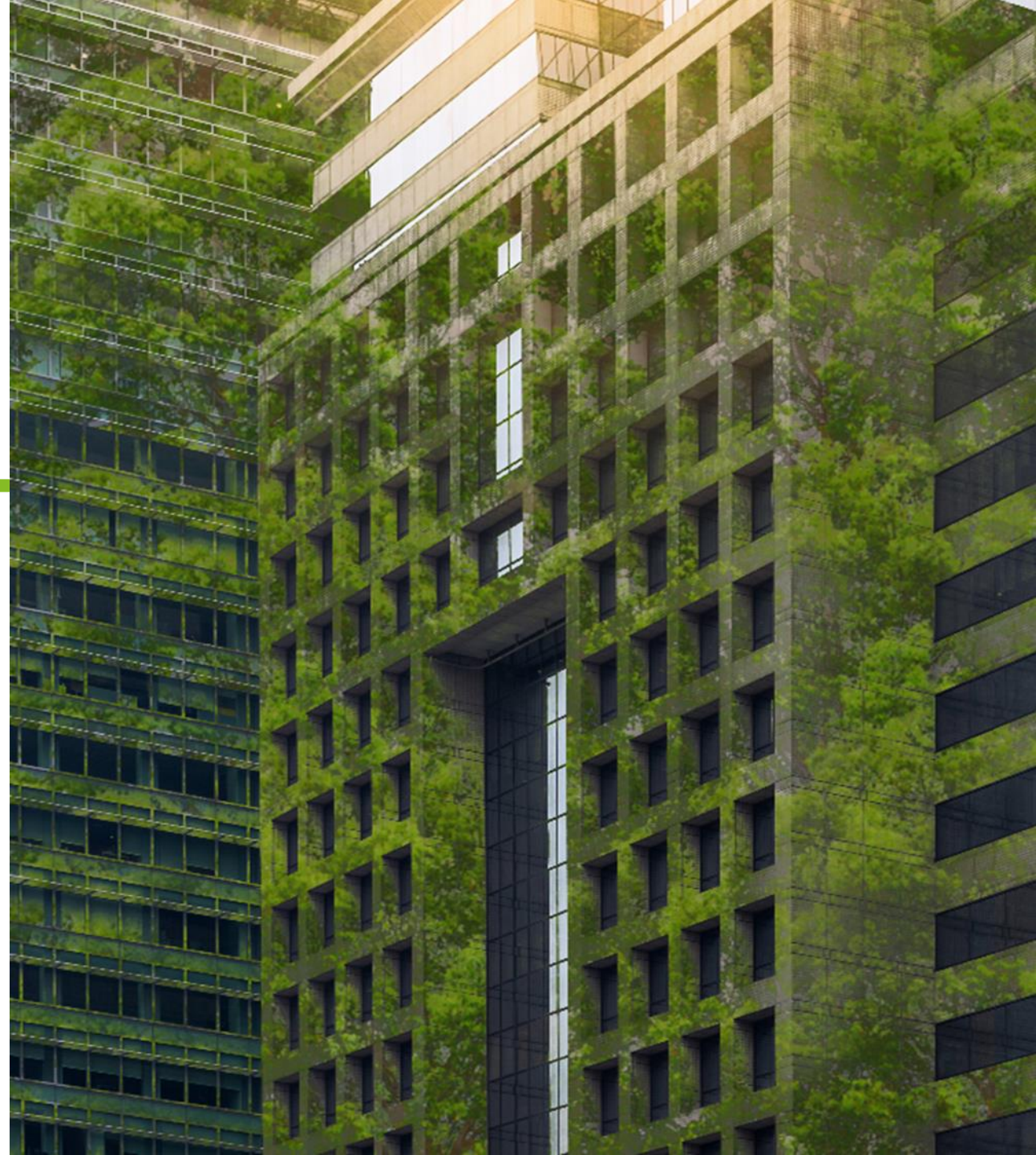




## Sustainability in the Greek tourism market

Paving the way for sustainable tourism growth

# Introduction





As confidence in the travel industry has been regained and travelers seek for new destinations to embark, tourism is expected to remain among the largest and fastest growing sectors in the world. Prior to the COVID-19 pandemic, tourism accounted for 1 in 5 new jobs created across the world during 2014-2019 and contributed 10.3% of all jobs (334 million) and 10.4% of global GDP (US\$ 10 trillion) in 2019 (source: WTTC).

However, this growth is not without its impacts. Based on UN Environment research, the sector's consumption of key resources (i.e., energy, water, land and materials), as well as its generation of solid waste, sewage, loss of biodiversity, and greenhouse gas emissions are growing rapidly. In addition, the emphasis of consumers on sustainability and the global goals for a more sustainable future are about to shake up the industry and set new standards thereon. Travelers are more determined to choose sustainable options in contrast to previous years and focus on positive impact towards local communities and ecosystems during their journeys.

Despite the imminent changes and the global recognition that sustainability must define future tourism development, little do we know so far about the readiness of the industry and the vision, goals and priorities of Greek tourism enterprises. Based on international rankings and indexes, the Greek tourism sector needs to focus on improving and strengthening its progress and performance in sustainability, as there is a gap compared to key competitors in the Mediterranean. The importance and urgency of undertaking sustainability actions in the Greek tourism has also been identified and analyzed in the context of the study "Greek Tourism 2030 - Action Plans", developed by the Greek Tourism Confederation (SETE) and its Institute (INSETE) with the support of Deloitte and Remaco (<https://insete.gr/greektourism2030/>).

Towards this direction, Deloitte in cooperation with INSETE, conducted a comprehensive survey study on key sustainability topics and issues of Greek tourism. This is a first attempt to highlight the current status of sustainability in Greek tourism enterprises, across the whole value chain of the sector, with a focus on navigating towards a cleaner and "greener" future. Ultimately, the survey findings indicate current perceptions of Greek tourism enterprises, reveal actions they undertake and priorities they set, and identify opportunities they can take advantage of, as well as threats and barriers they are facing.

As consumers are seeking more environmentally and socially conscious travel experiences, all stakeholders of the sector, destinations and enterprises alike, must seize the opportunity and invest in sustainable options that preserve natural resources and have a positive impact on natural ecosystems and society. Even though Greece's tourism has made some progress so far, there is still much to consider in terms of awareness and action. We trust that the survey findings can provide insights to Greek tourism enterprises for the transition to a more sustainable, inclusive and greener future.

*"The urgency for sustainable development is mounting for the Greek tourism sector. Our survey reveals that disconnects still exist between traveler preferences and ambitions for more sustainable travel choices, and the perceptions and actions of Greek tourism enterprises. A new sustainable, inclusive and green perspective and model is needed for Greek tourism."*

## Purpose of the survey

The purpose of this survey is to gain a better understanding about how Greek tourism enterprises, across the whole value chain of the tourism sector, act on and invest in sustainability (both environmental and socioeconomic); to what extent they set sustainability targets and measure their performance against those targets; if they have or are willing to acquire sustainability certifications; if they leverage networks and partnerships to promote sustainability; if they embed sustainability into their organization and governance; how they perceive the benefits of sustainable action; what are the barriers they face; and how important they think sustainability is for their customers.

By gaining more insight about the behaviors, perceptions and attitudes of Greek tourism enterprises towards sustainability, as well as the areas where more action and improvements are needed, this report aims also to provide key recommendations to businesses and policy makers on how to further support sustainability action across the entire tourism sector value chain and how to promote a more sustainable growth model for Greek tourism.

## Methodology

The report is based on a survey of 204 Greek tourism organizations, members of the Greek Tourism Confederation (SETE). The authors would like to extend their gratitude to SETE for the support in the conduction of this survey.

The survey was conducted between January and April 2023, on a primary research basis (online questionnaires), with respondents operating across the Greek tourism value chain (i.e., transportation, accommodation, DMCs / tour operators / travel agencies, other tourism related enterprises such as conference & exhibition organizers, consulting & certification services, etc.).

## About Deloitte Greece

Deloitte Greece is a member of Deloitte Touché Tohmatsu (DTT) since 1975. With offices in Athens, Thessaloniki, Heraklion, Patras and Ioannina and employing more than 2,700 professionals, we combine an unmatched breadth and depth of consulting, financial advisory, risk advisory, tax & legal, audit & assurance services to public and private clients spanning across multiple industries. Deloitte in Greece works closely with leading Tourism & Hospitality companies and organizations and is part of prominent projects in Greece and internationally. Moreover, Deloitte has strategic partnerships and alliances with key sector organizations (IATA, WEF, UNWTO, WTTC, etc.).

## About INSETE

The Institute of SETE, INSETE, is a non-profit organization founded in early 2013, on the initiative of the Greek Tourism Confederation (SETE), by four partners with intense activity in critical areas of the Greek tourism market namely the Greek Tourism Confederation (SETE), the Hellenic Hoteliers Federation (HHF), the Hellenic Association of Travel & Tourist Agencies (HATTA) and the Hellenic Confederation of Tourist Accommodation Entrepreneurs (SETKE). INSETE's key lines of actions include the following:

- To research, safeguard and promote the position and contribution of tourism
- To support and promote entrepreneurship (both conventional and social) in the tourism sector
- To enhance Human Resources development policies and tools for the tourism sector
- To provide scientific, technical or other form of documentation and support to SETE





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## Key trends & issues in sustainable tourism



Deloitte 2023 CxO Sustainability Report | Global trends and issues

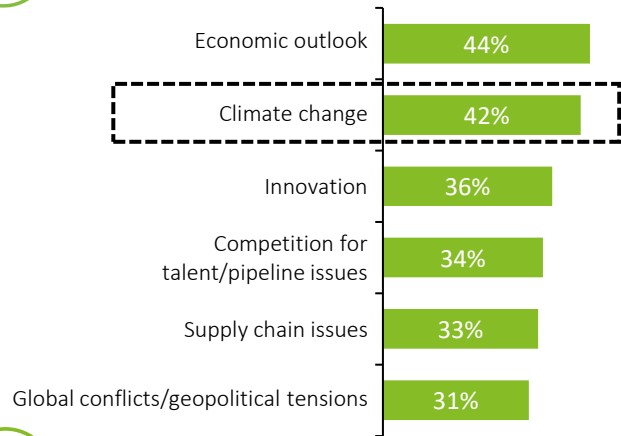
Over the last year, global executives have faced several challenges, including economic uncertainty, geopolitical conflict, supply chain disruptions, and talent shortages, among others. Despite these headwinds, CxOs indicate that **concern over climate change continues to be a top priority for their organizations**. While the majority of CxOs surveyed share the view that the world can achieve global economic growth while also reaching climate change goals, there continues to be a gap between actions and impact as organizations are slower to implement the “needle moving” actions that embed sustainability into their strategies.



Climate remains a top priority despite many pressing issues



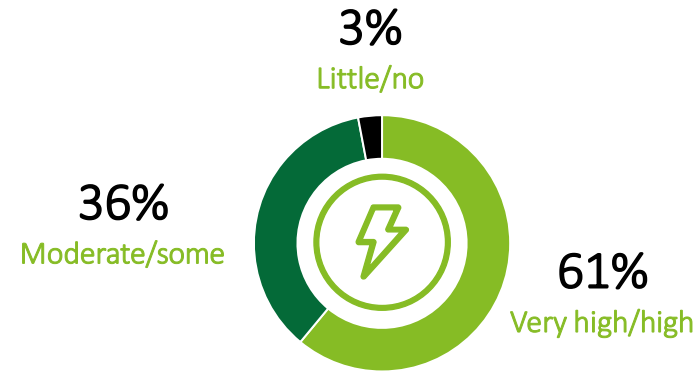
What does your organization see as the most pressing issues to focus on over the next year?



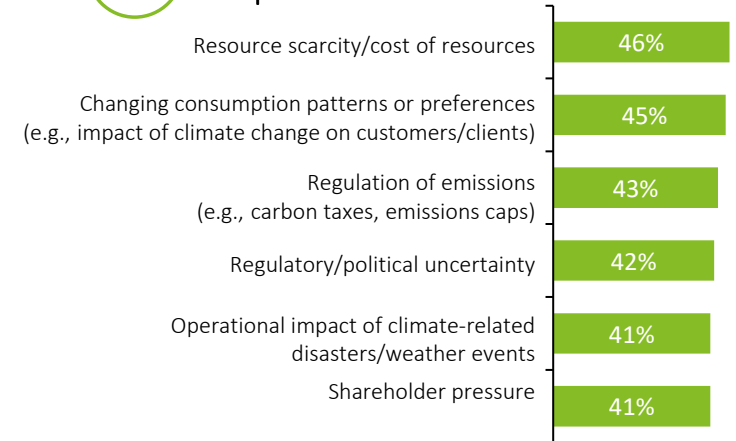
Almost every organization has felt the impacts of climate change



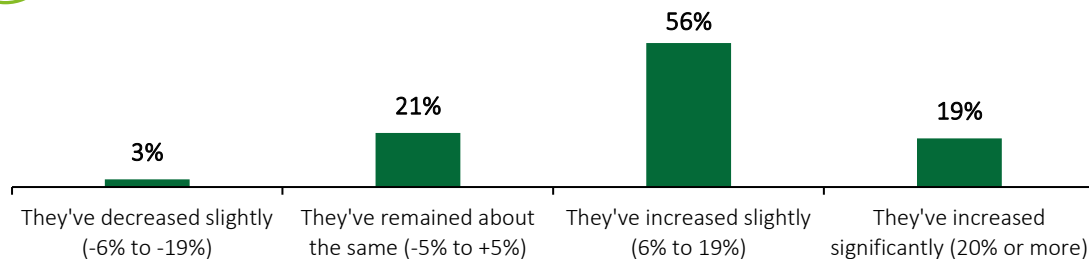
To what degree to you expect climate change to impact your company’s strategy and operations over the next three years?



Top climate issues already impacting companies



How have your sustainability investments changed over the last year?



- Instead of retrenching amid inflation, geopolitical crises, and an energy crunch, CxOs indicate they've accelerated their sustainability efforts over the last year. When asked to rank the issues most pressing to their organizations, 42% of CxOs rated climate change as a top three issue with only economic outlook ranking higher.
- The importance of climate change is also seen in organizations’ investments over the past year: 75% say their organizations have increased their sustainability investments, while nearly 20% respond to have significantly increased investment in sustainable practices.
- Only 3% say they’ve decreased sustainability investments over the past year. The most common reasons for a decrease were concern over an economic downturn and the effects of the Russia-Ukraine conflict.

Note: 2023 Deloitte CxO Sustainability Report is based on a survey of 2,016 C-level executives. The survey, conducted by KS&R Inc. and Deloitte, during September & October 2022, polled respondents from 24 countries: 48% from Europe/Middle East/South Africa; 28% from the Americas; 24% from Asia-Pacific. The study covers the following industries: Consumer (including Tourism & Hospitality), Financial Services, Technology, Media & Telecom, Energy, Resources & Industrials, Life Sciences & Health Care. Additionally, KS&R and Deloitte conducted select, one-on-one interviews with global industry leaders.

Sources: 2023 Deloitte CxO Sustainability Report

The climate impact of global tourism and the urge to redefine tourism development in the 21<sup>st</sup> century

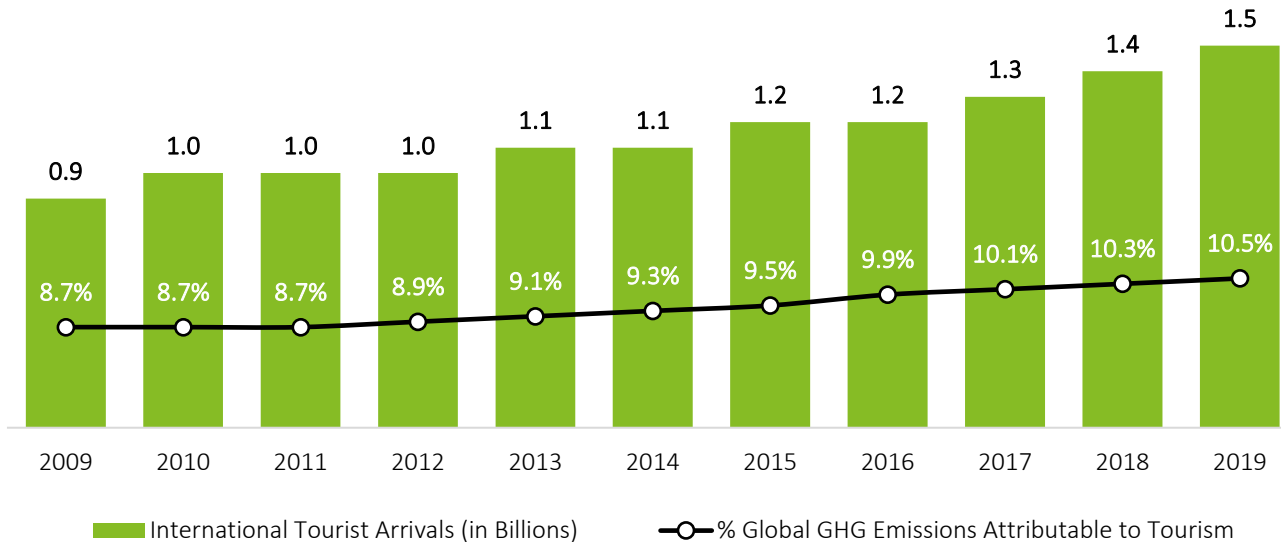
The negative environmental impacts of tourism are important, and they include the depletion of local natural resources as well as pollution and waste problems.

- Tourism contributes to ~10% of global greenhouse gas emissions, with transportation accounting for ~90% of this. Moreover, It has the most expansive value chain and the most profound socio-economic footprint (UNWTO, 2020).
- Travel emissions have grown in line with international tourist arrivals. All parties active in the industry should redefine their perceptions on eco-sustainable travel to enhance the impact of sustainable tourism.



Considering the positive correlation between travel emissions and international tourist arrivals and current industry forecasts (1.8 billion tourist arrivals by 2030), **it is imperative to put sustainability in the center of future tourism development.**

Global tourism arrivals and tourism emissions, 2009-2019



The climate impact of global tourism

**90%** of global GHG emissions account to the transportation sector.



By 2030 global transport-related CO<sup>2</sup> emissions from tourism are predicted to **grow by 25% from 2016 levels** (from 1,597 Mt of CO<sup>2</sup> to 1,998 Mt of CO<sup>2</sup> (Statista Research Department). This growth in CO<sup>2</sup> emissions from tourism-related transport is forecast to **represent 5.3% of all man-made emissions worldwide in 2030.**



Based on a “business-as-usual” scenario, developed by UN Environment research, global tourism is expected to generate **through 2050 an increase of 154% in energy consumption, 131% in greenhouse gas emissions, 152% in water consumption and 251% in solid waste disposal.**

Sources: Skift Research “A Short History of the Travel Industry’s Sustainability Efforts”, WTTC “A Net Zero Roadmap for Travel & Tourism”



Regenerative tourism trend: moving beyond sustainable and responsible tourism

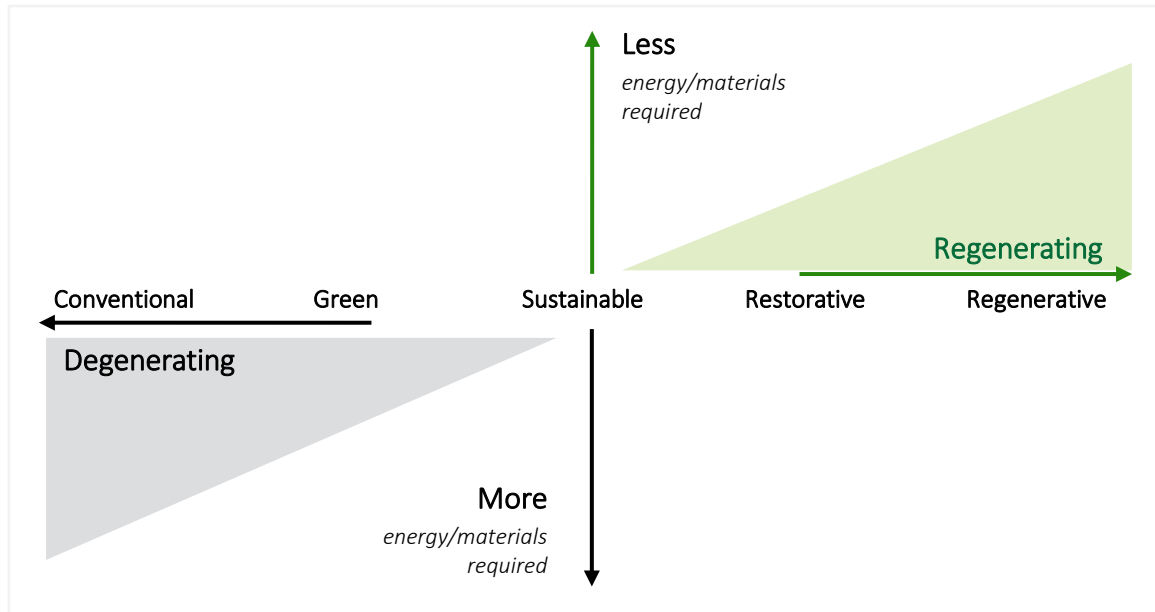
Regenerative tourism is based on adding positive impact to the local community and environment and goes beyond the basic concept of sustainable tourism.

- Sustainability refers to maintaining something in its current predicament or, to put it another way, avoiding further damage. Regenerative tourism is moving beyond "not damaging" the environment, with the aim to actively regenerate it, improving human health and wellbeing through ecosystems' health and resulting in a positive cycle of impacts on local communities and economies.
- Regenerative tourism focuses on less energy and materials required throughout the travel experience, while it focuses on "giving back" to the destination.



There is a clear shift towards regenerative models that aim to go beyond the current state to restore and reconstruct. This model aims to "do more good than harm" compared to preservative models that aim to sustain the present state and adopt a "do no harm" approach to sustainability.

Key features of regenerative tourism compared to normal and sustainable tourism



Sources: CBI "Regenerative tourism: moving beyond sustainable and responsible tourism", EHL © 2023 Deloitte Central Mediterranean. All rights reserved.

United Nations principles of regenerative tourism that are in line with Sustainable Development Goals (SDGs)



**Holistic understanding and living-systems approach:** Acknowledging that everything is interconnected and interdependent and understanding the nature and quality of the interactions between every stakeholder throughout the entire tourism value chain, as well as their influence on each other and the entire ecosystem.



**Collaborative:** Fostering collaboration and partnerships between a wide range of stakeholders from governments, to the private sector, to the voluntary sector, and the communities. Challenging the current competitive mindset that governs our dominant economic systems.



**Diverse by nature:** Diversity in various income streams helps decrease the reliance of ecosystems and communities on tourism income. Diversifying between the different segments of the market (leisure vs. business, domestic vs. international), etc.) to reduce various economic and geopolitical risks and enhances resilience.



**Inclusive and equitable:** Involving the local communities to strengthen the overall ecosystem (e.g., collaborating with local suppliers).



**Transformational and inspirational:** Creating authentic, immersive and meaningful experiences for the guests that bring forward the uniqueness of each place and offering activities that showcase the cultural heritage, folklore, gastronomy, local landmarks and wildlife responsibly.



**Environmentally responsible:** Responsible environmental stewardship through the management of natural resources and biodiversity and the protection of fragile landscape and wildlife.



**Cultural stewardship:** Protection of local cultural heritage and traditions and indigenous people and ethnic groups who happen to be the best guardians of biodiversity and natural ecosystems thanks to their ancient wisdom and knowledge passed on from generation to generation.

Greek tourism industry | Competitiveness in terms of sustainability

According to the 2021 World Economic Forum’s Travel & Tourism sustainability sub-index, Greece ranks as 51<sup>st</sup> out of 117 countries , while competing Mediterranean destinations such as Spain, Italy, Portugal, Cyprus and Malta rank much higher. **Greek tourism needs to focus on improving and strengthening its progress and performance in sustainability areas and practices, as the latest rankings reveal a gap compared to key competitors in the Mediterranean.**



Greece & competitive Mediterranean countries	T&T overall index		T&T sustainability subindex		T&T Sustainability subindex   Pillars					
					Environmental sustainability		Socioeconomic resilience and conditions		Demand pressure and impact	
	Total Score	Ranking	Total Score	Ranking	Total Score	Ranking	Total Score	Ranking	Total Score	Ranking
Spain	5.2	3 <sup>rd</sup>	4.5	32 <sup>nd</sup>	4.3	39 <sup>th</sup>	5.3	25 <sup>th</sup>	3.8	81 <sup>st</sup>
Italy	4.9	10 <sup>th</sup>	4.5	33 <sup>rd</sup>	4.3	40 <sup>th</sup>	5.4	20 <sup>th</sup>	3.7	91 <sup>st</sup>
Portugal	4.8	16 <sup>th</sup>	4.5	28 <sup>th</sup>	4.2	44 <sup>th</sup>	5.5	17 <sup>th</sup>	3.8	78 <sup>th</sup>
Greece	<b>4.5</b>	<b>28<sup>th</sup></b>	<b>4.2</b>	<b>51<sup>st</sup></b>	<b>4.4</b>	<b>33<sup>rd</sup></b>	<b>4.8</b>	<b>36<sup>th</sup></b>	<b>3.4</b>	<b>110<sup>th</sup></b>
Cyprus	4.4	31 <sup>st</sup>	4.6	25 <sup>th</sup>	4.3	41 <sup>st</sup>	5.3	24 <sup>th</sup>	4.1	58 <sup>th</sup>
Malta	4.3	35 <sup>th</sup>	4.6	19 <sup>th</sup>	4.3	36 <sup>th</sup>	5.3	23 <sup>rd</sup>	4.2	48 <sup>th</sup>
Turkey	4.2	45 <sup>th</sup>	3.6	104 <sup>th</sup>	3.6	102 <sup>nd</sup>	3.7	77 <sup>th</sup>	3.5	103 <sup>rd</sup>
Croatia	4.2	46 <sup>th</sup>	4.1	57 <sup>th</sup>	4.5	25 <sup>th</sup>	5.1	31 <sup>st</sup>	2.8	117 <sup>th</sup>
Israel	4.2	47 <sup>th</sup>	4.3	43 <sup>rd</sup>	3.9	75 <sup>th</sup>	4.6	41 <sup>st</sup>	4.4	33 <sup>rd</sup>
Egypt	4.2	51 <sup>st</sup>	4.2	50 <sup>th</sup>	4.2	42 <sup>nd</sup>	3.9	67 <sup>th</sup>	4.5	22 <sup>nd</sup>
Montenegro	3.9	67 <sup>th</sup>	4.2	53 <sup>rd</sup>	4.0	64 <sup>th</sup>	4.5	42 <sup>nd</sup>	4.0	64 <sup>th</sup>
Morocco	3.8	71 <sup>st</sup>	3.8	91 <sup>st</sup>	3.8	77 <sup>th</sup>	3.7	76 <sup>th</sup>	3.8	83 <sup>rd</sup>
Tunisia	3.6	80 <sup>th</sup>	3.7	98 <sup>th</sup>	3.8	85 <sup>th</sup>	4.0	64 <sup>th</sup>	3.3	114 <sup>th</sup>



WEF Global Travel & Tourism Competitiveness Index 2021

- World Economic Forum’s (WEF) Global Travel and Tourism Competitiveness Index (T&T) measures a set of factors & policies that enable the sustainable and resilient development of the travel & tourism sector.
- The T&T Sustainability sub-index captures current or potential challenges and risks on sustainability factors.
  - **Environmental sustainability** pillar measures the general sustainability of an economy’s natural environment, protection of natural resources, vulnerability and readiness for climate change
  - **Socioeconomic resilience and conditions** pillar, captures the socioeconomic wellbeing and resilience of an economy
  - **Demand pressure and impact**, measures factors that may indicate the existence of, or risk related to, overcrowding and demand volatility, as well as the quality and impact of Travel & Tourism industry in the economy

Sources: WEF T&T Competitiveness Index 2021

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## Deloitte-INSETE survey results



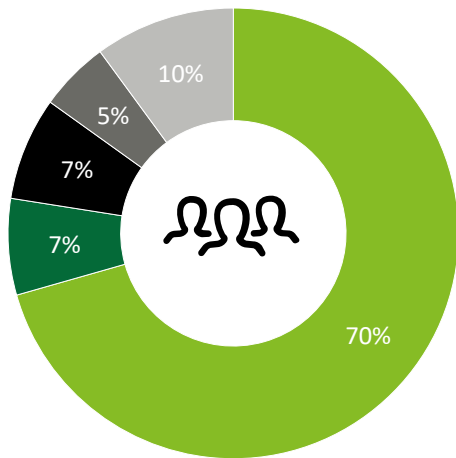


Survey sample | Key characteristics

- Deloitte in cooperation with INSETE conducted a comprehensive survey study that took place during the period January-April 2023, while more than 200 SETE members / tourism enterprises that are active across the Greek tourism value chain participated in the survey.
- Most of the respondents are active in the accommodation sector - hotels, while 81% of them have less than 300 keys and 60% less than 100 keys.
- South Aegean (32%), Attica (25%), Crete (21%) and Central Macedonia (15%) are the key geographical areas of activity / operations.
- Small and micro enterprises, with revenues less than €10 Mn. constitute the majority of respondents (77%), with 42% of them having revenues under €1.0 Mn.



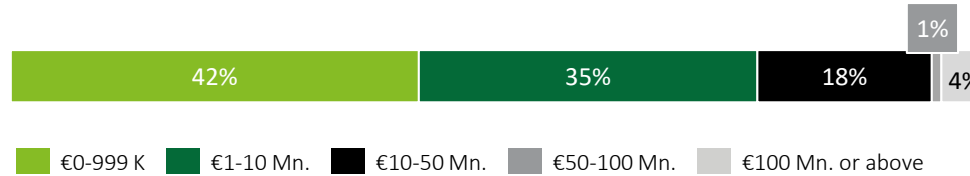
**Principal sector activity**  
(% of enterprises per segment, 204 responses)



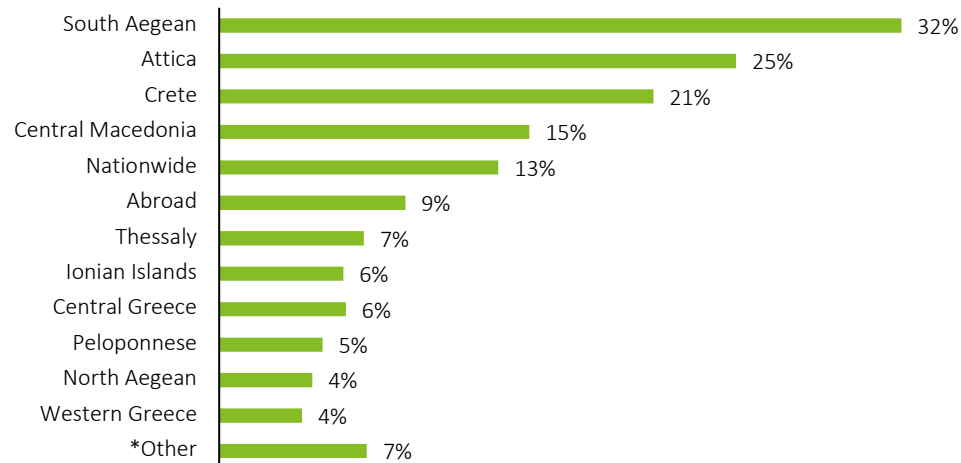
- Accommodation – Hotels
- Accommodation – Rental homes
- DMCs / Tour operators / travel agencies
- Transportation
- Other tourism related enterprises (e.g., conference & exhibition organizers, consulting & certification services)



**Total revenue (€)**  
(% of enterprises per segment, 204 responses)



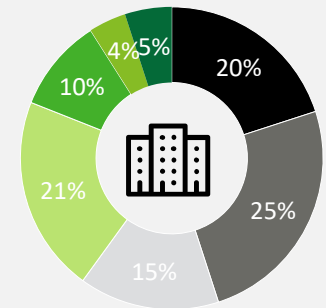
**Geographical area**  
(% of enterprise activity per geographical area, 204 responses)



\*Other geographic areas include Eastern Macedonia and Thrace (3%), Epirus (2.5%), and Western Macedonia (1.5%).



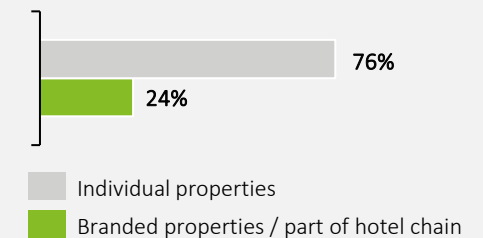
**Accommodation - Hotels**  
(% of hotels per number of keys, 143 responses)



- Number of Hotel Keys**
- 1-20
  - 21-50
  - 51-100
  - 101-300
  - 301-500
  - 501-1,000
  - Above 1,000

**Property Branding**

(%age of branded vs individual properties, 143 responses)



Sustainability-related strategic actions / measures | Environmental and socioeconomic sustainability

Most Greek tourism enterprises implement or intend to take in the short-term at least one action / measure in the areas of environmental and socio-economic sustainability.

- Efforts in environmental sustainability include mainly energy management, water & waste management and carbon footprint reduction.
- In terms of socioeconomic sustainability, the use of local materials, local employment opportunity offers and partnerships with local entrepreneurs are within the most popular actions / measures.

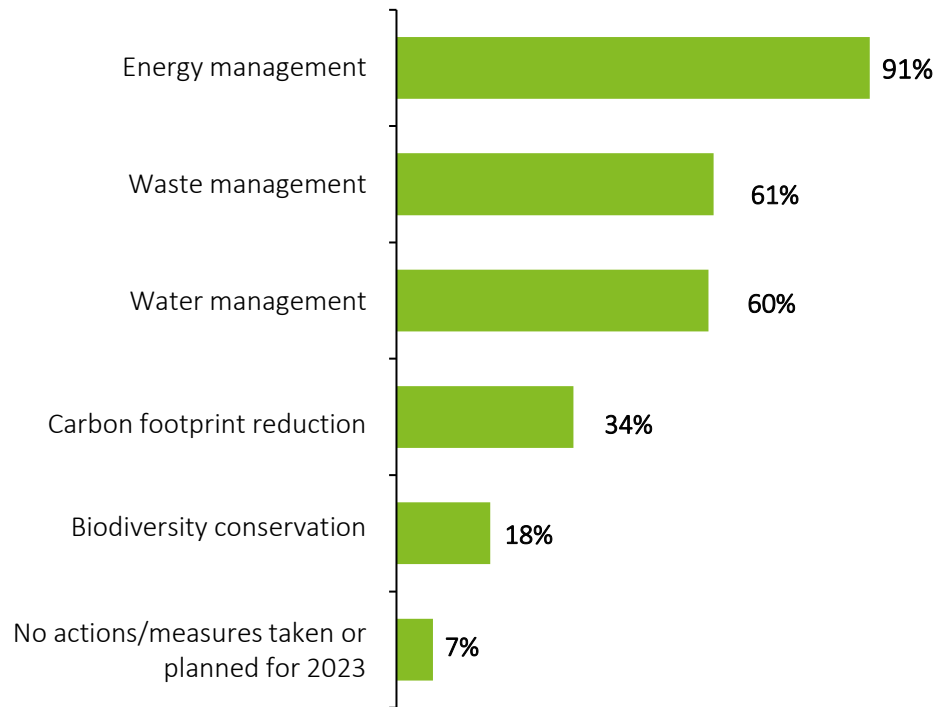


What actions/measures have you already taken or intend to take in 2023 regarding:

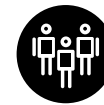


Environmental sustainability

(% of multiple responses chosen, 204 responses)

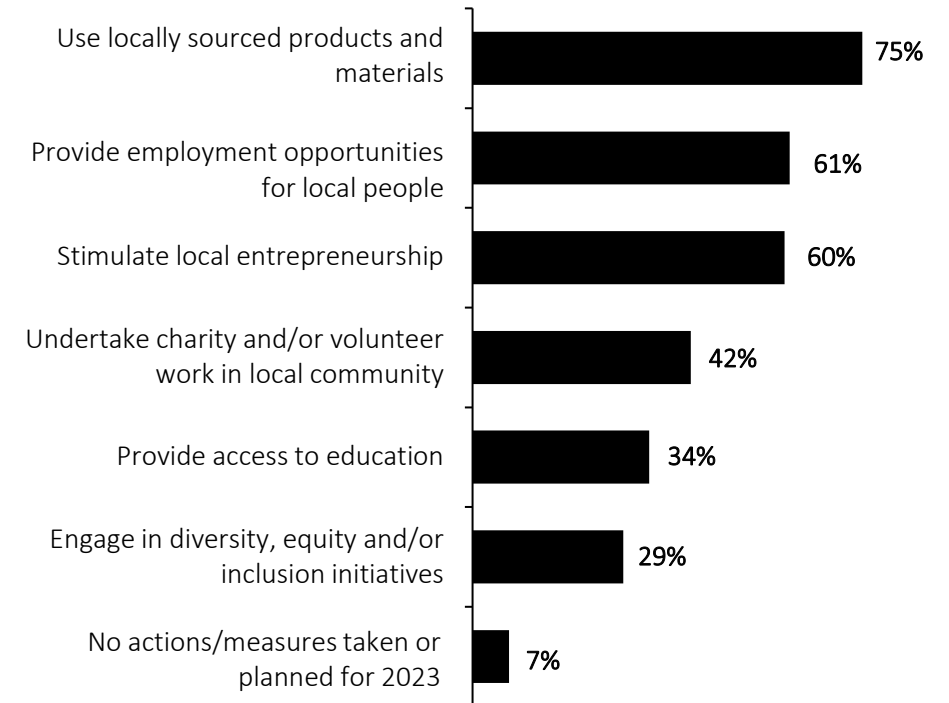


**80%** Implemented or intend to take in the short-term **more than one** environmental sustainability action / measure



Socioeconomic sustainability

(% of multiple responses chosen, 204 responses)



**77%** Implemented or intend to take in the short-term **more than one** socioeconomic sustainability action / measure



Sustainability-related strategic actions / measures | Carbon footprint

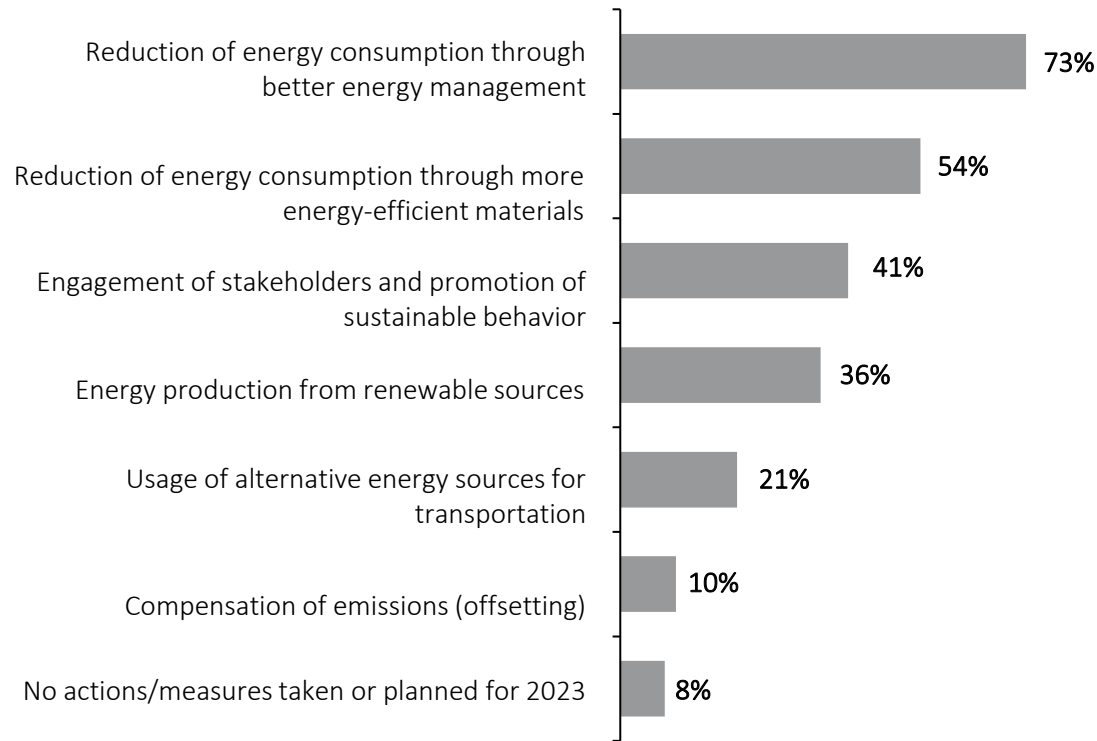


Greek tourism enterprises seem to understand the importance of carbon footprint reduction and have implemented or intent to implement relevant actions.

- Organizations take several measures addressing their carbon footprint reduction, by managing energy flow, selecting energy-efficient infrastructure materials and seeking alternative energy sources to power their operations.
- Buying offsets/carbon credits to compensate for emissions is expected to become more popular in the next years. However now, only ~10% of respondents are undertaking such actions.



What actions/measures have you already taken or intend to take in 2023 regarding reduction of carbon footprint? (% of multiple responses chosen, 204 responses)



**68%** Implemented or intend to take in the short-term **more than one carbon footprint action / measure**



Is your organization buying offsets/carbon credits to compensate for emissions? (% of multiple responses chosen, 204 responses)

**80%** *“No, we do not compensate for emissions”*

**10%** *“No, we are not buying offsets/carbon credits, but we offer our clients the possibility to offset their trips”*

**6%** *“Yes, we purchase certified emissions offsets equivalent to all (or more than) our annual emissions”*

**4%** *“Yes, we purchase certified emissions offsets equivalent to some of our annual emissions”*

Sustainability-related strategic actions / measures | Emissions reduction

Nevertheless, an alarming fact is the lack of emission reduction targets for 2030.

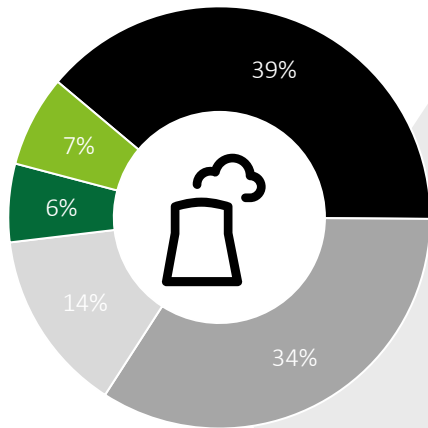
- A noteworthy 73% of the respondents have not set an emission reduction target for 2030, while 34% are working on implementing at least one.
- Global travelers are mindful about how far they travel, how they get there and how they get around once they're there – with over half deeming lower-to-no CO<sub>2</sub> emissions through their transportation choice a key part of what constitutes sustainable travel<sup>1</sup>.
- Accommodation seems to fair a bit better than other segments, whereas branded properties / part of hotel chain seem to be ahead of individual properties.



Has your organization set an emission reduction target for 2030?

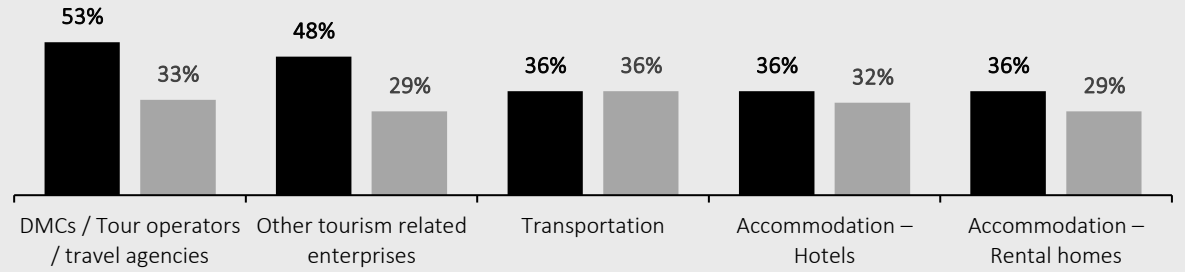
(% of individual responses chosen, 204 responses)

- No target
- No target but we are working on defining one
- 29% reduction or less
- 30-49% reduction
- 50% reduction or more

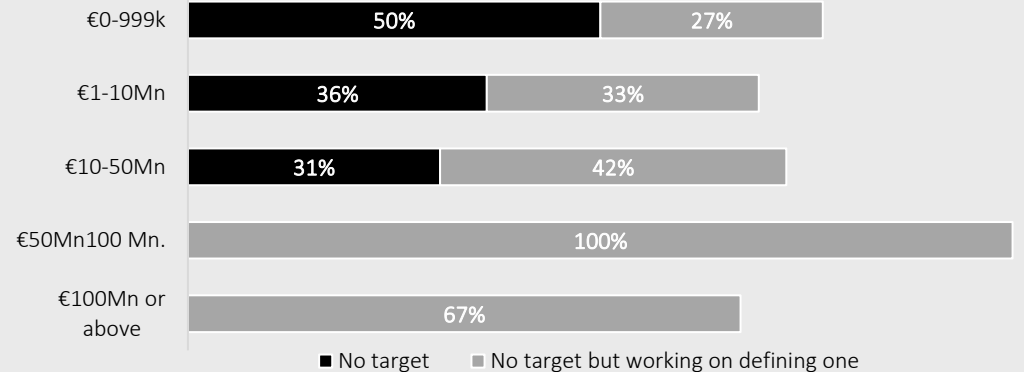


Enterprises that have not set an emission reduction target for 2030 so far

Per segment



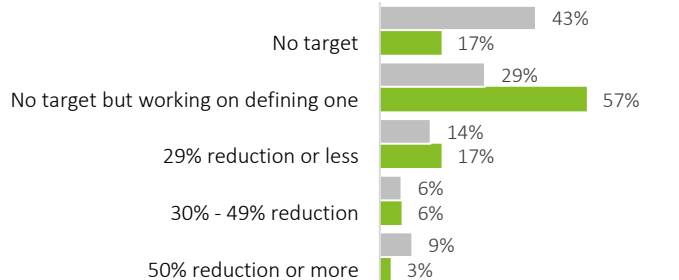
Per revenue size



Focus on Accommodation - Hotels

Emission reduction targets

(% of branded and Individual properties out of 143 total Hotels category)



■ Individual properties ■ Branded properties / part of hotel chain

<sup>1</sup> Sustainable Travel Report 2023 | Booking.com

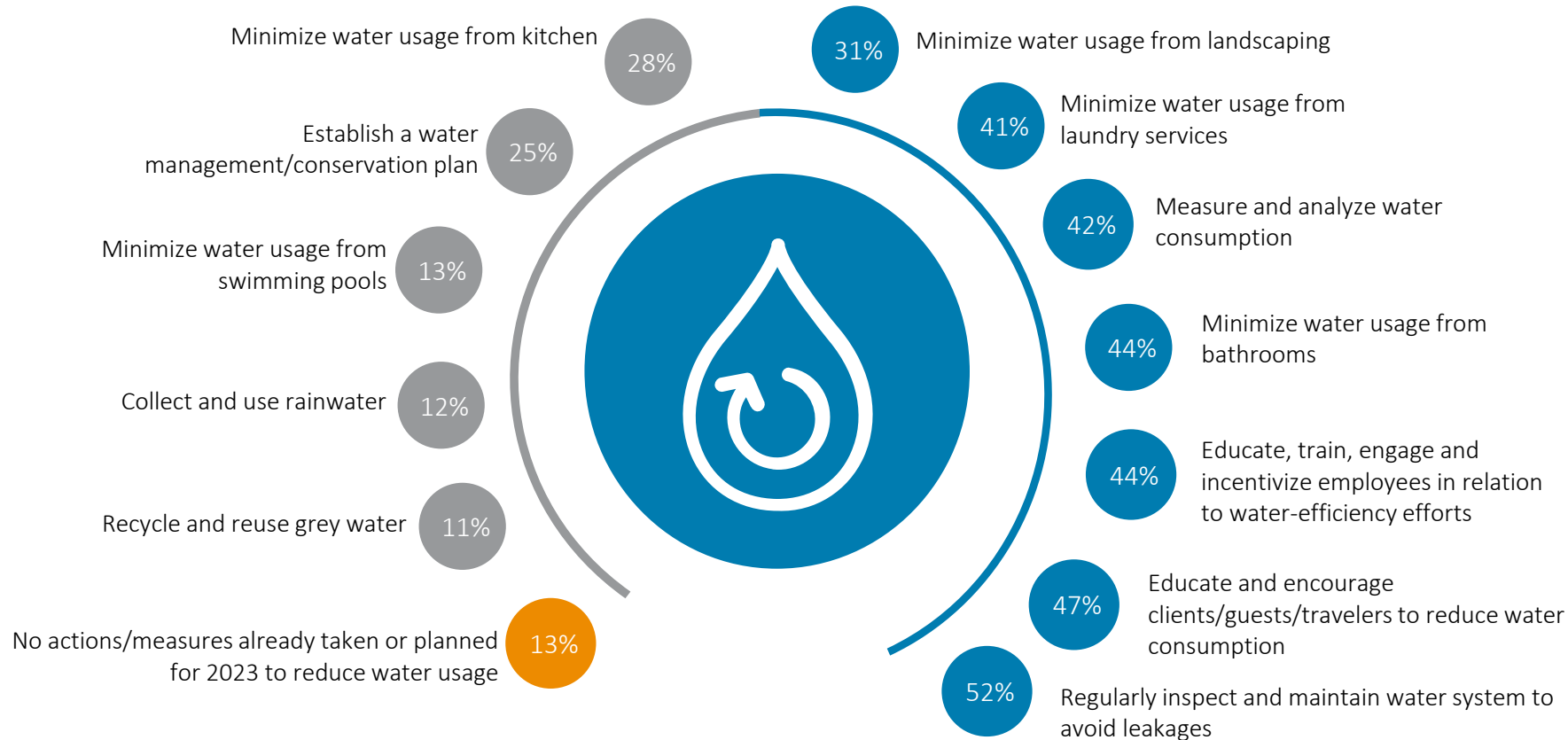
Most tourism organizations are ramping up climate change adaptation efforts that aim to reduce water consumption.

- Most respondents regularly inspect water systems for leakages, raise guest awareness on water consumption, and educate employees on resource efficiency.
- Water preservation actions tend to be most popular within the Accommodation – Hotels sector.



What actions/measures have you already taken or intend to take in 2023 to reduce water consumption?

(% of multiple responses chosen, 204 responses)



The accommodation sector is ahead of other sectors regarding water management actions / measures, as only **6%** of hotels do not take any water consumption actions / measures.



Sustainability-related strategic actions / measures | Waste management

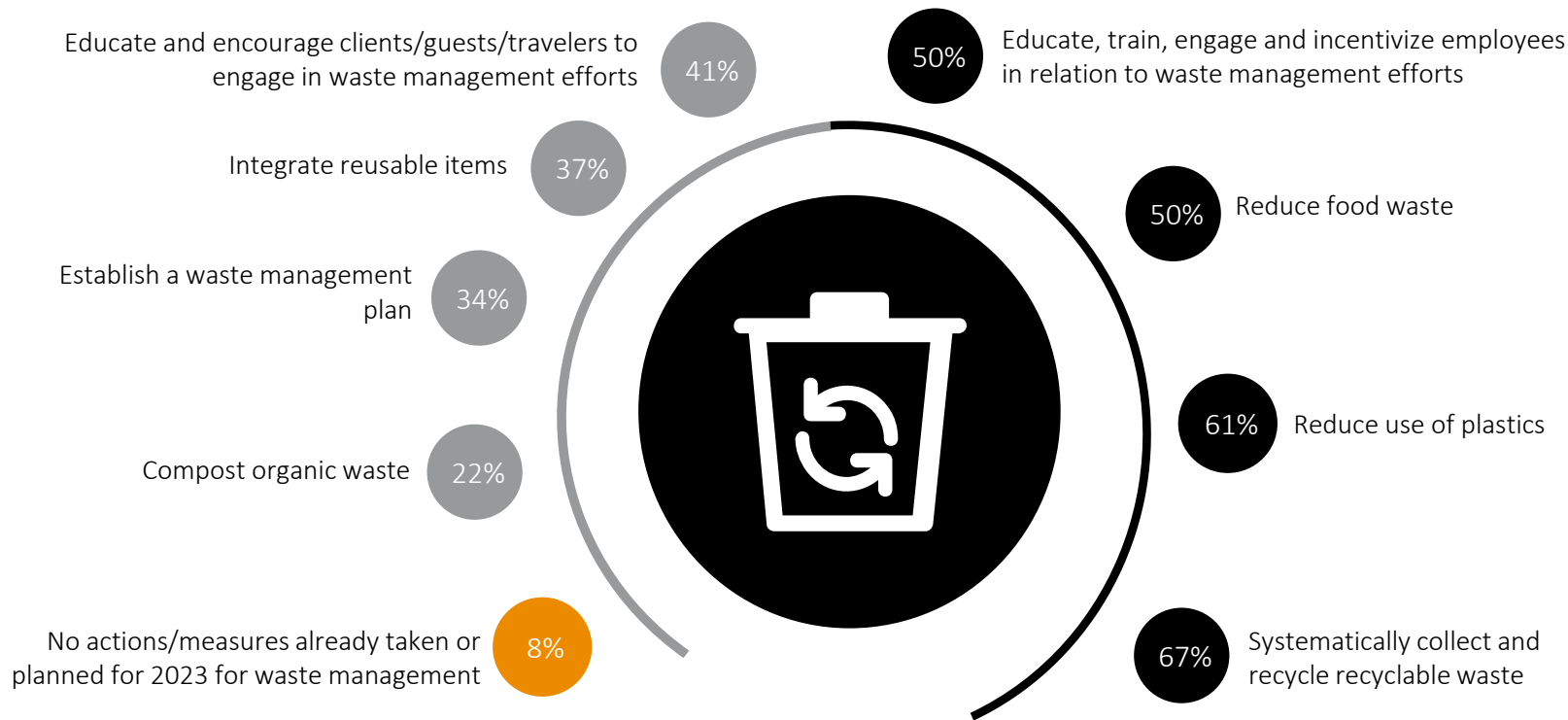
Most Greek tourism enterprises implement actions / measures related to waste management.

- Initiatives in waste management mainly include collecting and recycling recyclable waste, plastics material reduction and employee training.
- Actions in both fields can nurture a sustainable culture and provide evidence to global travelers, who are converting intent into action by taking active small steps on an individual level at home – and increasing when travelling – to drive a more sustainable future.



What actions/measures have you already taken or intend to take in 2023 for waste management?

(% of multiple responses chosen, 204 responses)



The transportation sector is overperforming other sectors regarding waste management actions / measures, as **82%** implemented recycling actions / efforts and **73%** has reduced plastic use.

Sustainability-related strategic actions / measures | Participation in partnerships/alliances



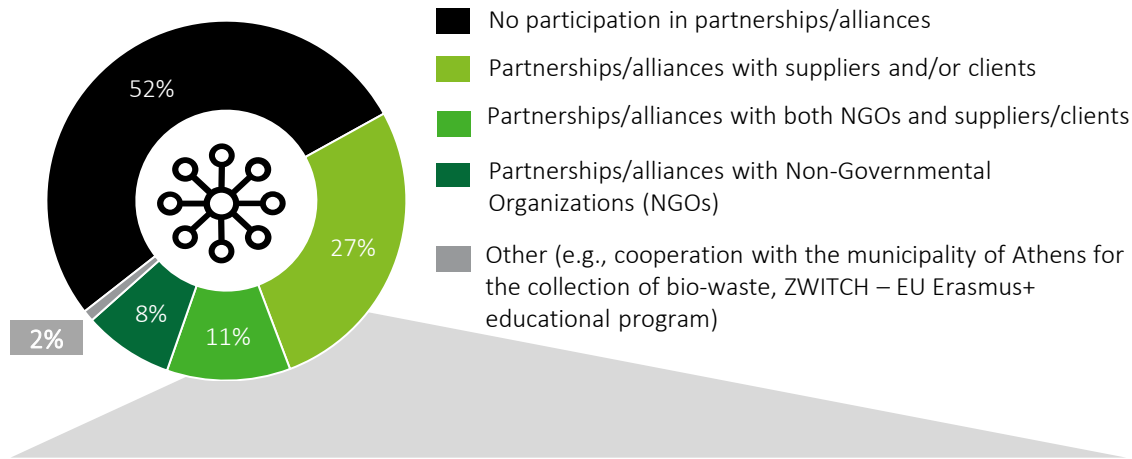
A relatively small number of respondents participate in strategic partnerships and/or alliances that promote sustainable goals across the value chain.

- Large sized tourism enterprises proactively engage in sustainable partnerships / alliances, while smaller enterprises fall short on such actions.
- Partnerships / alliances that promote sustainability could enable organizations to work towards delivering critical goals like Net Zero by 2030, but also drive the integration of sustainability into business decisions and processes. With more than half of global travelers noting options that support local cultures and communities<sup>1</sup>, empowering alliances to support common climate goals can foster a mutually beneficial business culture across the value chain.

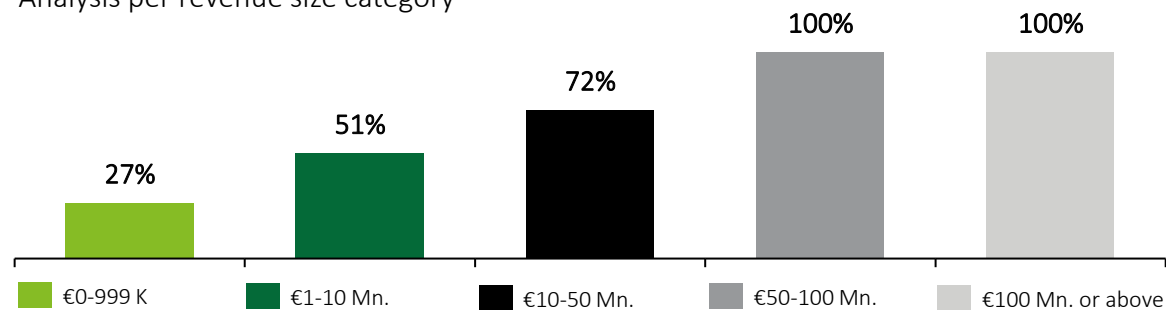


Do you participate in any partnerships/alliances promoting sustainability?

(% of multiple responses chosen, 204 responses)

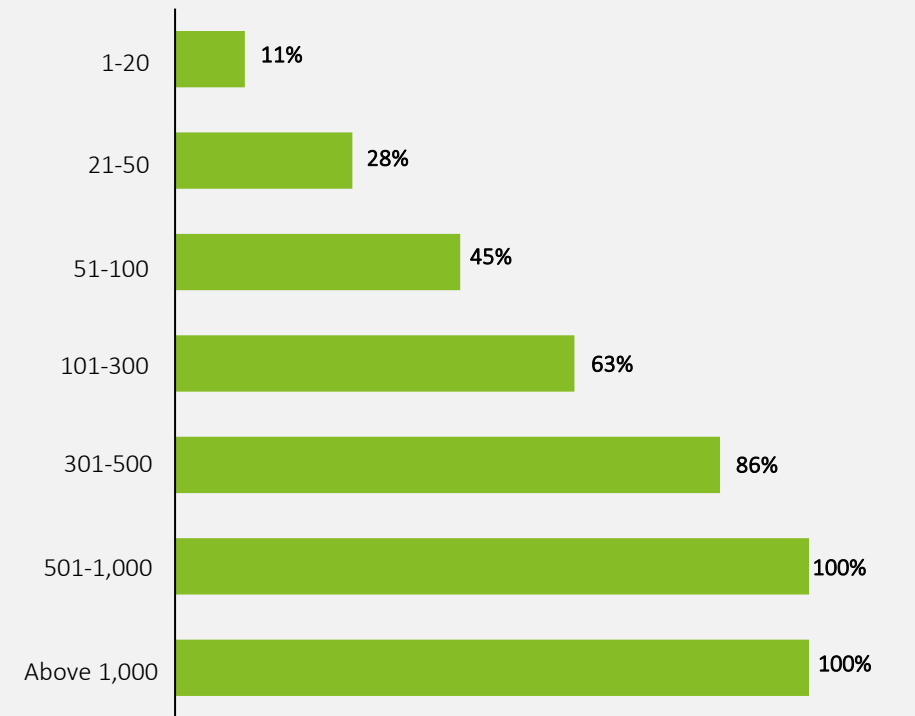


Participation in partnerships/alliances with NGOs and/or with suppliers/clients | Analysis per revenue size category



Focus on accommodation – hotels

(% of multiple responses chosen, 143 responses)



Number of Hotel Keys

Participation in partnerships/alliances (with Non-Governmental Organizations (NGOs) or with suppliers/clients)

<sup>1</sup> Sustainable travel study 2022 | Expedia.com

Measurement & reporting

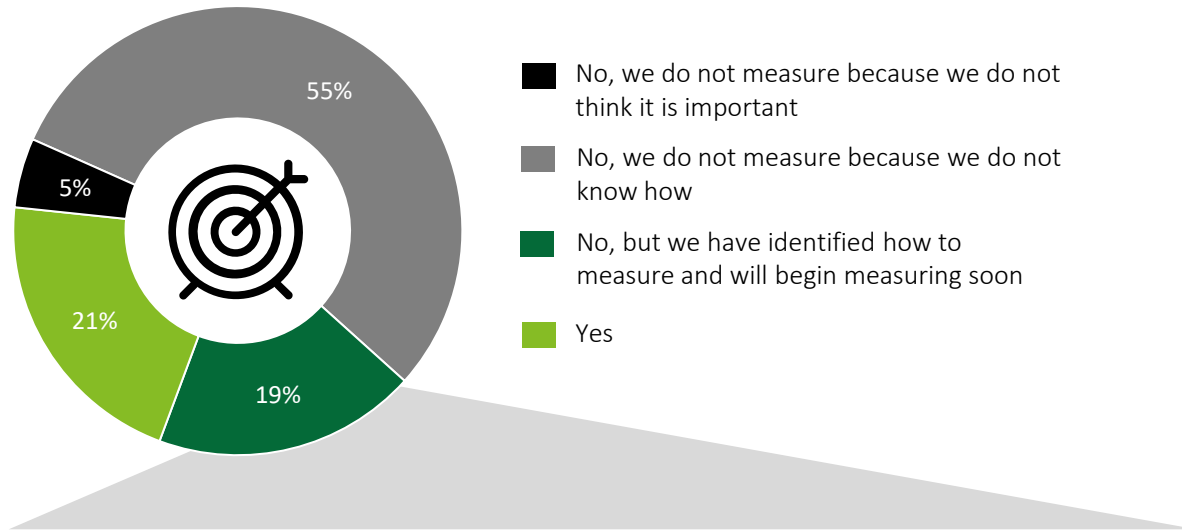
Most Greek tourism enterprises do not measure sustainability metrics, and consequently lack of respective reporting practices.

- Most of the respondents do not measure any sustainability metrics, nor have planned towards implementing these in the short-term.
- The largest Greek tourism enterprises demonstrate the highest awareness in the areas of measuring and reporting sustainability, potentially also due to the upcoming EU requirements for large and listed companies.

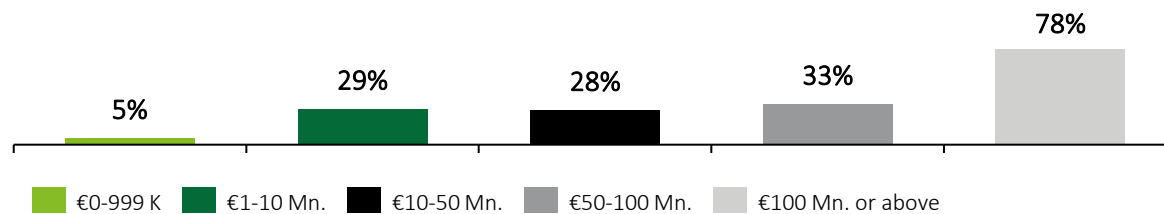


Does your organization measure sustainability metrics?

(% of individual responses chosen, 204 responses)



Organizations measuring sustainability metrics | Analysis per revenue size category



Has your organization implemented, or is in the process of implementing, any sustainability reporting standards/practices?

(% of multiple responses chosen, 204 responses)

**78%** *Have not implemented, and are not in the process of implementing any sustainability reporting standards / practices*

- 9% Global Reporting Initiative (GRI)
- 5% EU Corporate Sustainability Reporting Directive (CSRD)
- 2% Carbon Disclosure Project (CDP)
- 2% Task Force on Climate-related Financial Disclosure (TCFD)
- 2% Sustainability Accounting Standards Board (SASB)
- 1% Athens Stock Exchange (ATHEX) ESG Reporting Guide

Investments in sustainability

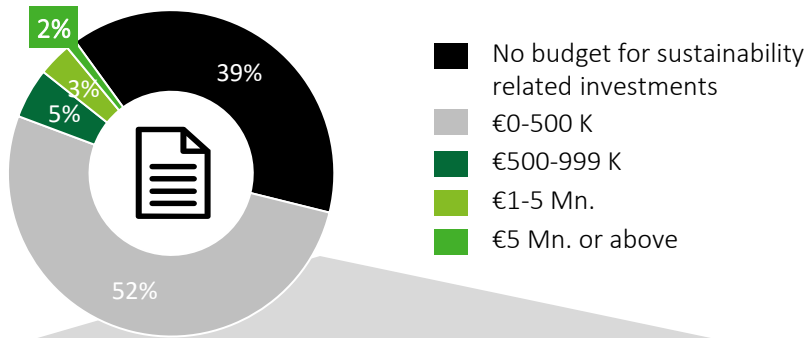
The importance of sustainability is a rising part of the business agenda, although respective investments are not considered across all Greek tourism enterprises.

- More than half of the respondents have established a budget ranging up to €500k, while 39% has not allocated a budget for sustainability-related reasons.
- As expected, there seems to be a positive correlation between the size of the company and the availability of budget for sustainability related investments.
- Investments are mainly focused on basic areas around energy consumption, water conservation, waste management and renewable energy sourcing.
- With 80% of global travelers confirming that travelling more sustainable is important to them<sup>1</sup>, investments in sustainability are becoming more and more critical.

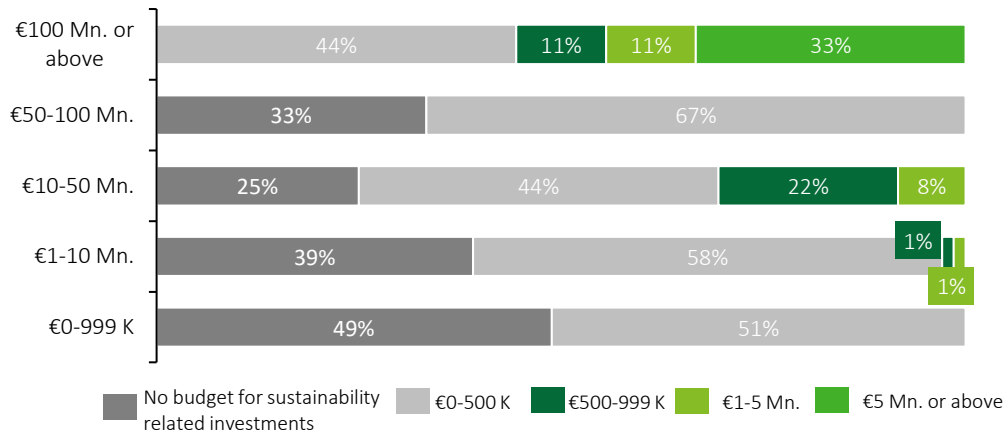


What is your investment budget for sustainability reasons?

(% of individual responses chosen, 204 responses)

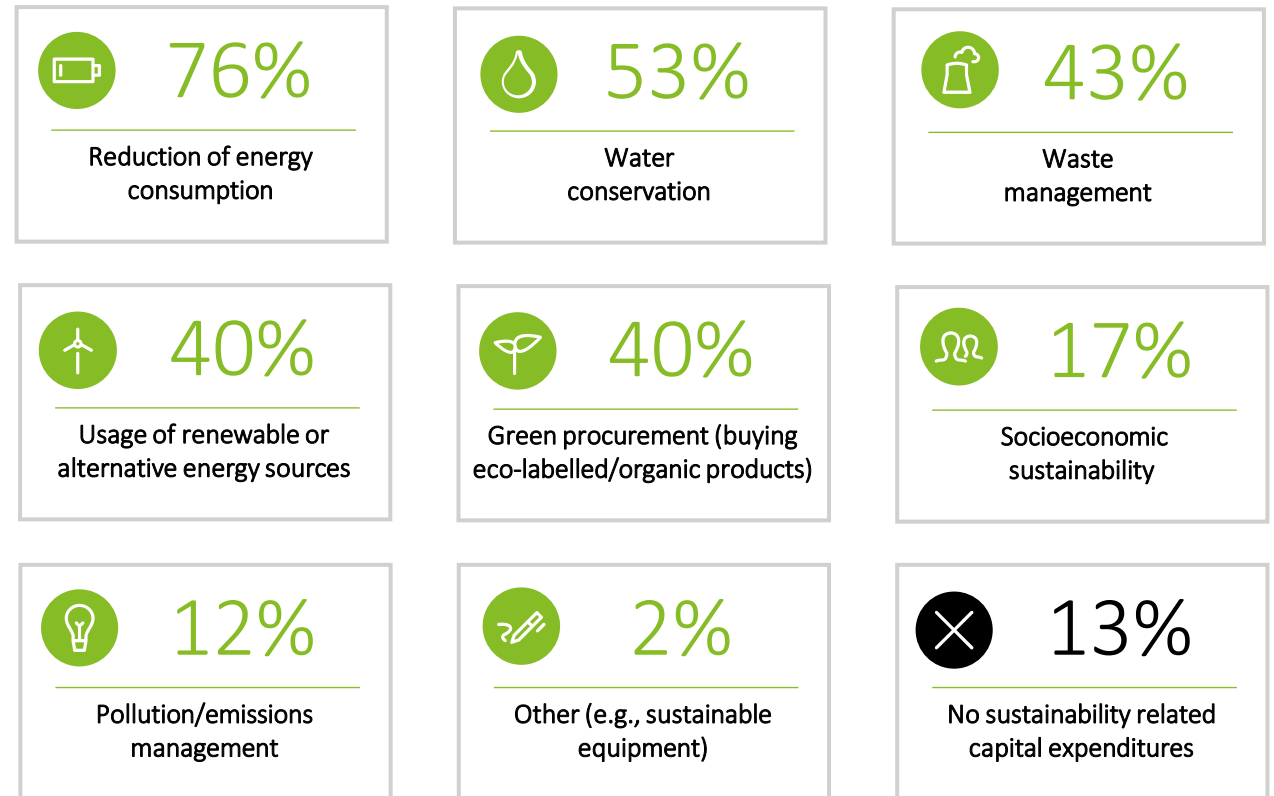


Investment budget | Analysis per revenue size category



To what areas of sustainability did you devote capital expenditures in the last 2-3 years?

(% of multiple responses chosen, 204 responses)



<sup>1</sup> Sustainable travel report 2023 | Booking.com



Investments in sustainability

Greek tourism enterprises recognize the value and benefits of investments in sustainability.

- Customer experience and satisfaction, cost savings and compliance with regulatory requirements are perceived as the most important reasons to invest in sustainability efforts and seize opportunities in the field.



Select the three most important reasons for investing in sustainability and implementing sustainability practices

(% of multiple responses chosen, 204 responses)

▲ TOP THREE REASONS SELECTED



Improve customer experience and satisfaction



Achieve cost savings



Comply with regulatory requirements

▼ BOTTOM THREE REASONS SELECTED



Keep up with competition



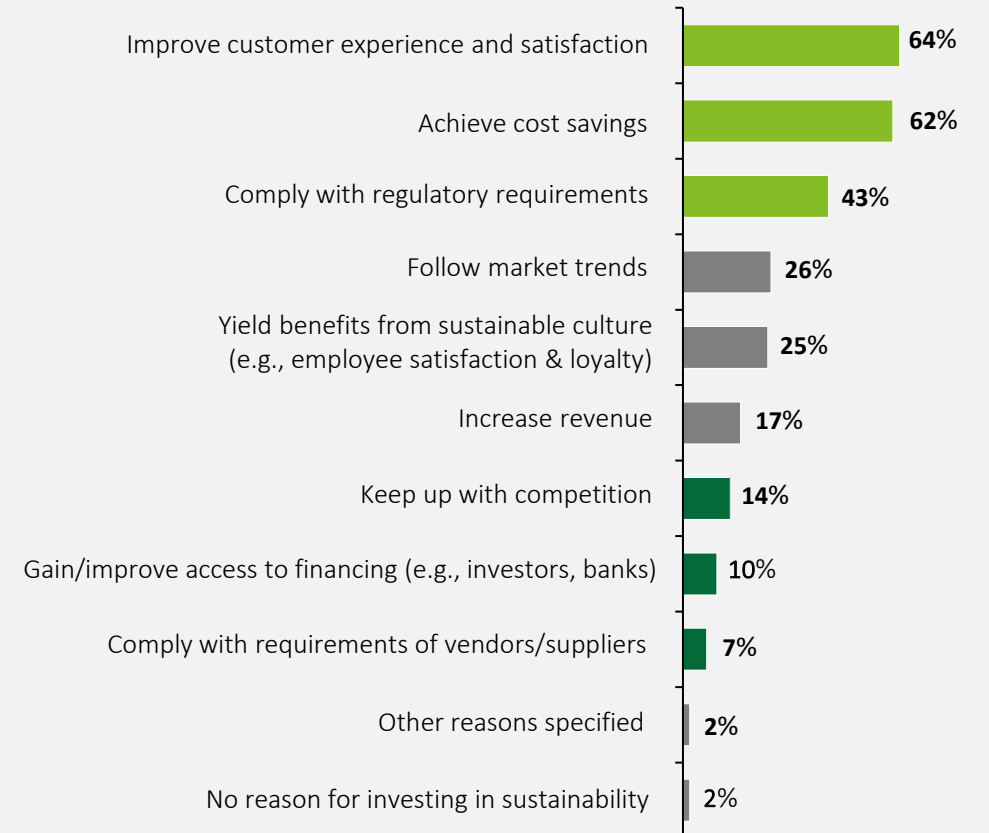
Gain/improve access to financing (e.g., investors, banks)



Comply with requirements of vendors/suppliers



All possible responses



Investments in sustainability

Greek tourism enterprises expect the Government to provide more financial and tax incentives, as cost of sustainability investments is perceived as the most important barrier for investing more.

- Key barriers include the high investment costs, infrastructure limitations and lack of expertise and experience.



What areas do you think need to be improved by the Government to promote sustainable practices? (% of multiple responses chosen, 204 responses)

89%

Financial & tax incentives

of respondents highlight the role of the Government as a main driver that can incentivize by providing direct subsidies or indirect support through tax benefits

43%

Awareness

believe that raising the voice over the urgency of climate action through nationwide media campaigns, institutional events, and training programs is crucial for realizing the impact of climate change

42%

Strategy & planning

state that sectoral and regional strategies are important for target-setting, measuring, and reporting mandates, in order to monitor and control progress

28%

Regulation

of respondents indicate that a strict and enforceable regulatory framework will ensure compliance across the value chain and enhance the sense of responsibility on climate change policies



Setting strong, foundational orientation to enhance actions against climate change is highly perceived as a Government-led commitment



What are the barriers that prevent you from investing more in sustainability? (% of multiple responses chosen, 204 responses)



Sustainability certifications

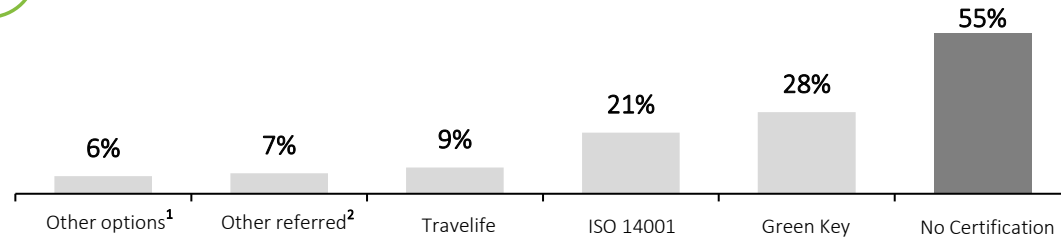
Despite the perceived value and benefits of sustainability certifications, most of the surveyed enterprises do not have any such certification and half of the respondents do not seem interested in acquiring one.

- Most of the surveyed enterprises do not have any such certification (higher % in smaller companies) and most of those who do have one, are limited to specific choices (i.e., Green Key and ISO). As more than 59% of travelers are anticipating to filter their options for a sustainable certification in their next booking<sup>1</sup>, there is an urgent need for enterprises to consider placing certifications higher on their agenda.



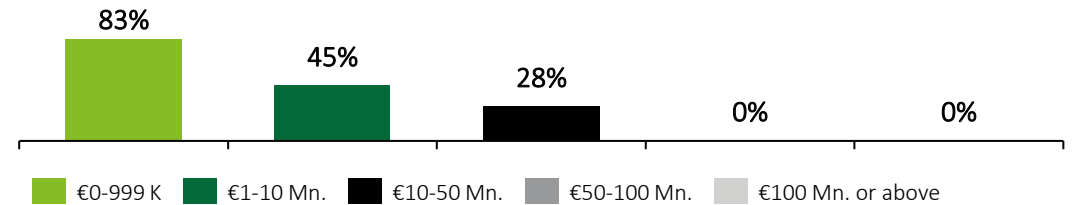
Does your organization have any sustainability certification?

(% of multiple responses chosen, 204 responses)



<sup>1</sup>Climate Neutral, Earthcheck, EMAS, Green Destinations, Green Tourism, <sup>2</sup>Blue Flag, Ecovadis, EQFM, ESG GRI cert, ISO 21401, ISO 22000

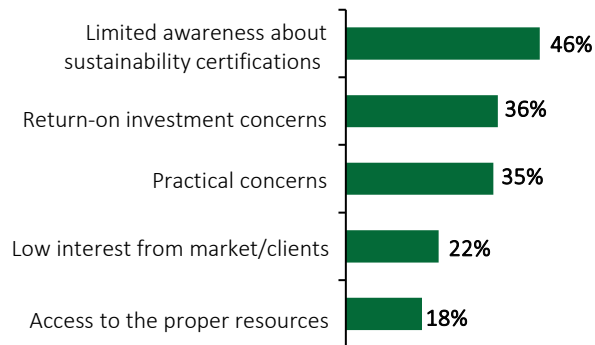
Organizations that answered "No certification" | Analysis per revenue size category



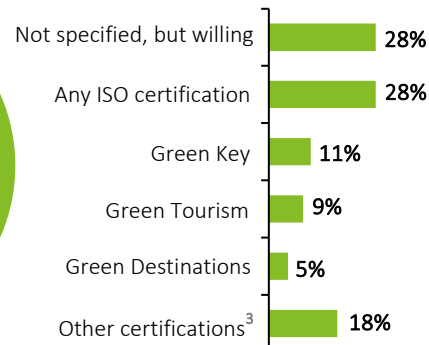
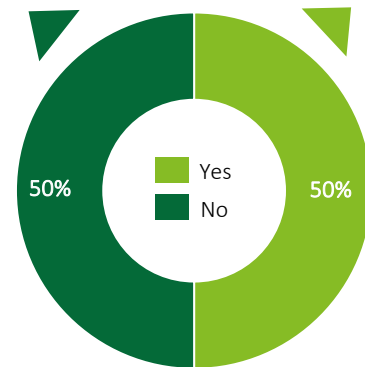
Are you interested in acquiring a new sustainability certification?

(% of individual responses chosen, 204 responses)

Specify the most important reason for not acquiring a new sustainability certification



Of those willing to acquire a certification

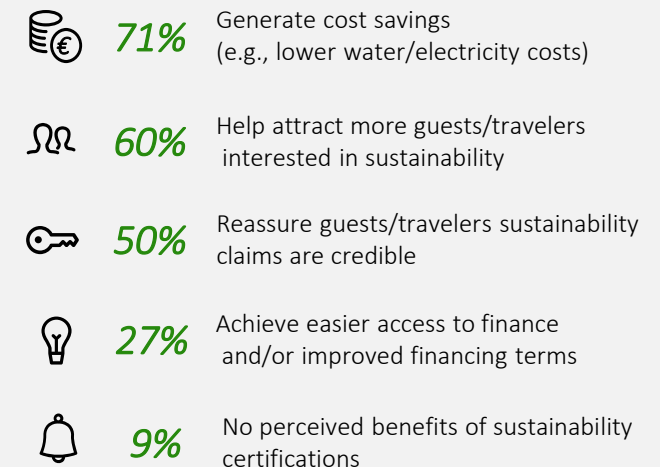


<sup>3</sup> Earthcheck, Eco Vadis, EU Ecolabel, GSTC Certification, Green Port, LEED



What are the main perceived benefits of certifications?

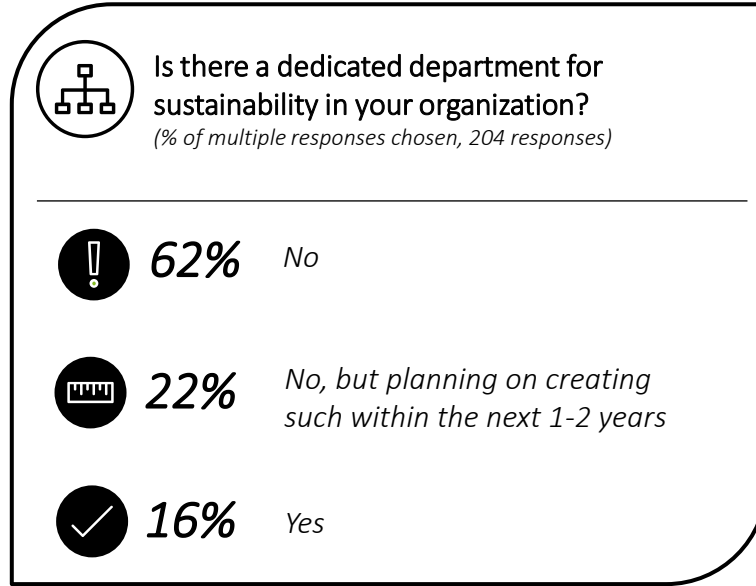
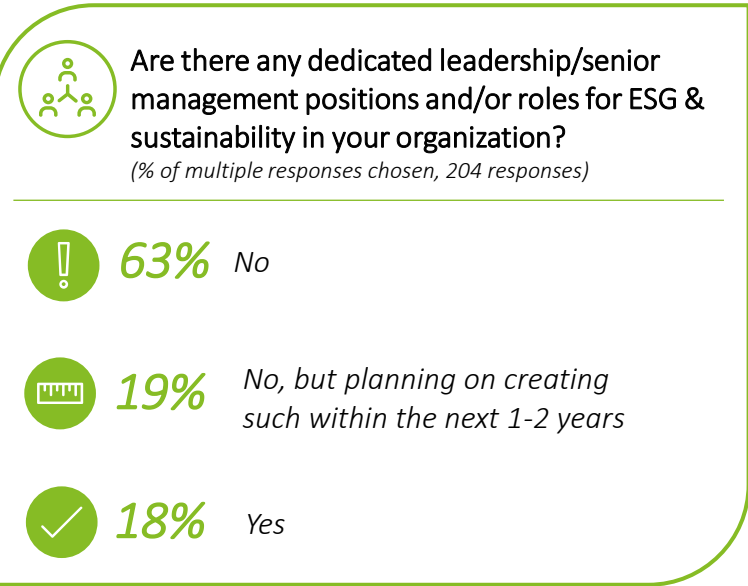
(% of the respondents, 204 responses)



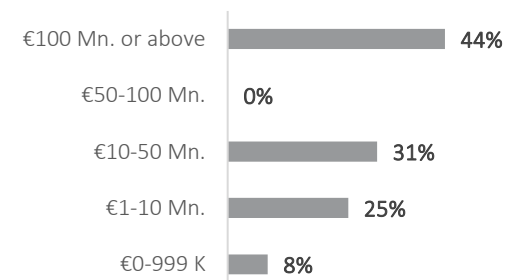
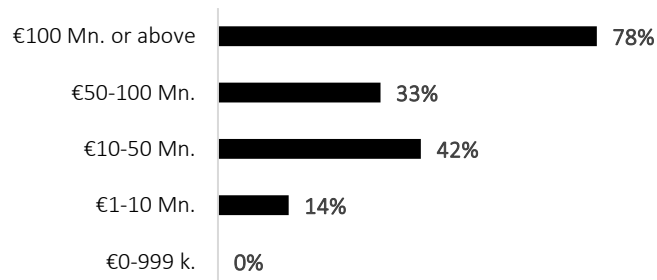
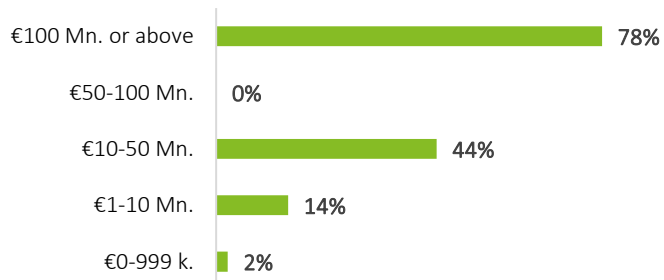
Organization & training

Sustainability is at large absent from the executive boardrooms, the organizational structures and the employee training agenda of Greek tourism enterprises.

- Most Greek tourism enterprises do not have a sustainability department with specific leadership/senior management positions and/or roles for ESG and sustainability, while most have not incorporated a dedicated department in their organization structure.
- Only 20% of the respondents believe that their employees have been adequately trained around sustainability, and only 31% are in the process of planning such activities. As anticipated, larger companies perform better and have more dedicated roles, departments and training for ESG and sustainability.



Enterprises that have **dedicated roles / positions, departments and training programs around sustainability** | Analysis per revenue size category





Consumer behavior & preferences

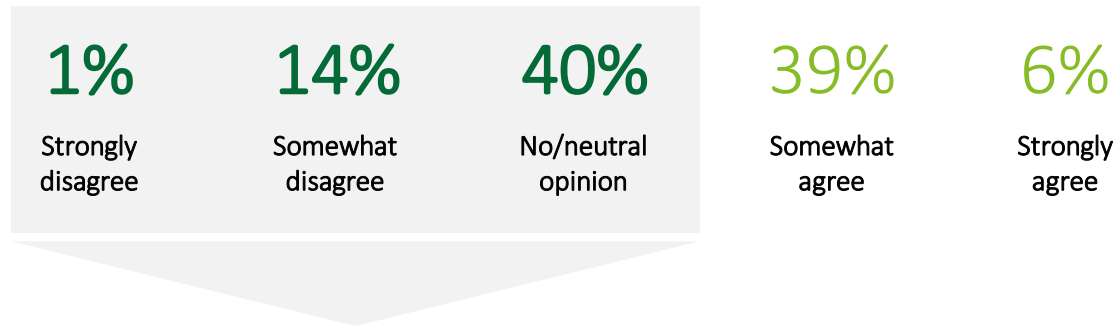


In contrast to what global studies show about, only 45% of Greek tourism companies believe that travelers base their travel choices on sustainability criteria.

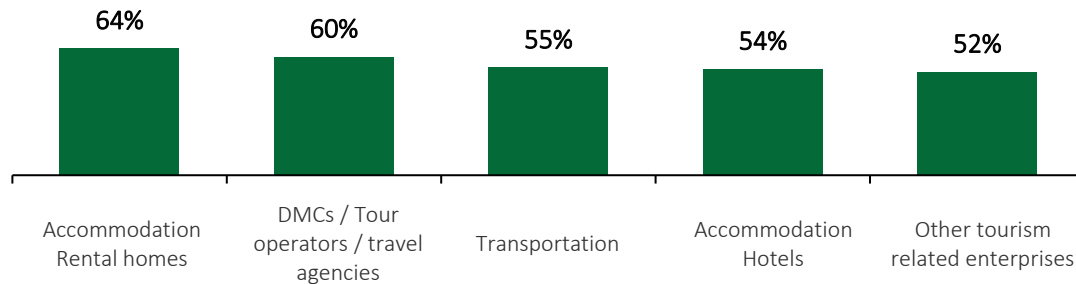
- A recent consumer report from Booking.com highlights that 71% of travelers are eager to make more effort to travel more sustainably, whereas Expedia research shows that 90% of consumers look for sustainable options when travelling.
- Across all segments of the Greek tourism value chain, well more than 50% of respondents have a neutral opinion or disagree with the statement that clients base their travel choices on sustainability criteria.



Do you believe that clients base their travel choices on sustainability criteria?  
 (% of individual responses chosen, 204 responses)



Respondents that either have a **neutral opinion or disagree** with the statement that clients base their travel choices on sustainability criteria | Analysis per segment



**B.**

71% of travelers want to make more effort in the next year to travel more sustainably (up from 61% in 2021)

53% of travelers are more determined to make more sustainable travel choices when they travel now than a year ago



90% of consumers look for sustainable options when travelling

74% of consumers said it costs too much to be more sustainable when travelling, but half of consumers would be willing to pay more for sustainable lodging transportation & activities

Consumer behavior & preferences

Most Greek tourism enterprises believe that travelers are not willing to pay a premium for sustainable options.

- From the 42% of the respondents who believe that clients are willing to pay a premium for sustainable options, the vast majority (87%) believes that it can not exceed 10%.
- On the other hand, a recent global study from Expedia shows that travelers are in fact willing to pay a much larger premium (38%) to make their travels more sustainable.

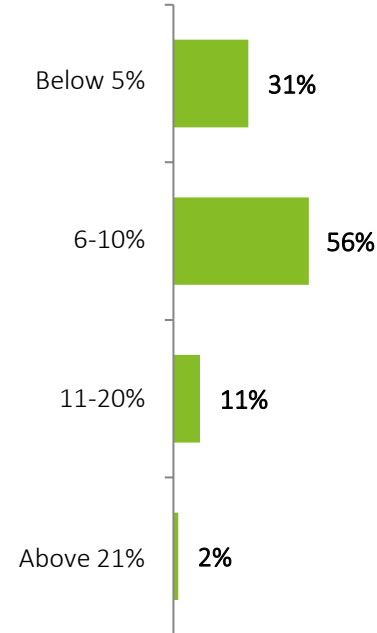
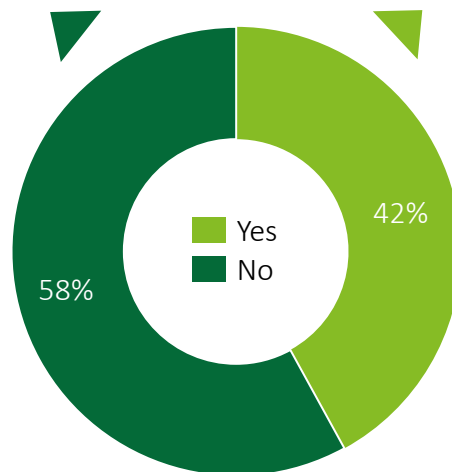
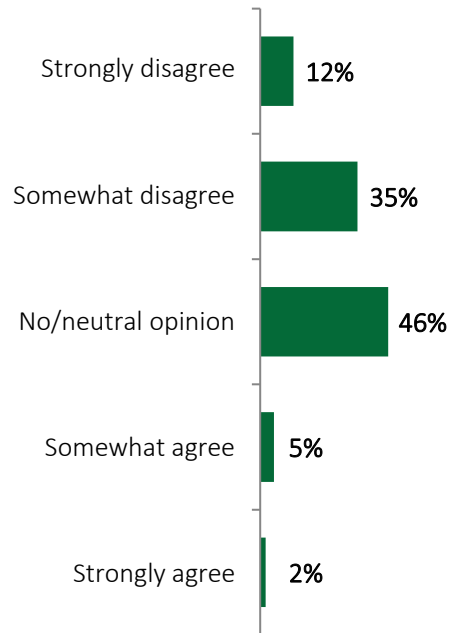


Do you believe that your clients would be willing to pay a premium for sustainable options?


(% of individual responses chosen, 204 responses)


Customers take sustainability as granted and thus are not willing to pay a premium for it?


What price premium do you believe that clients would be willing to pay for sustainable options?





Key motivating factors for paying the highest premium

 **81%** Green / sustainable products and services

 **78%** Sustainable food choices

 **73%** Water and waste reduction/management

 **71%** Socially responsible products and services

 **67%** Low-carbon transportation


<sup>1</sup> Sustainable travel study 2022 | Expedia.com

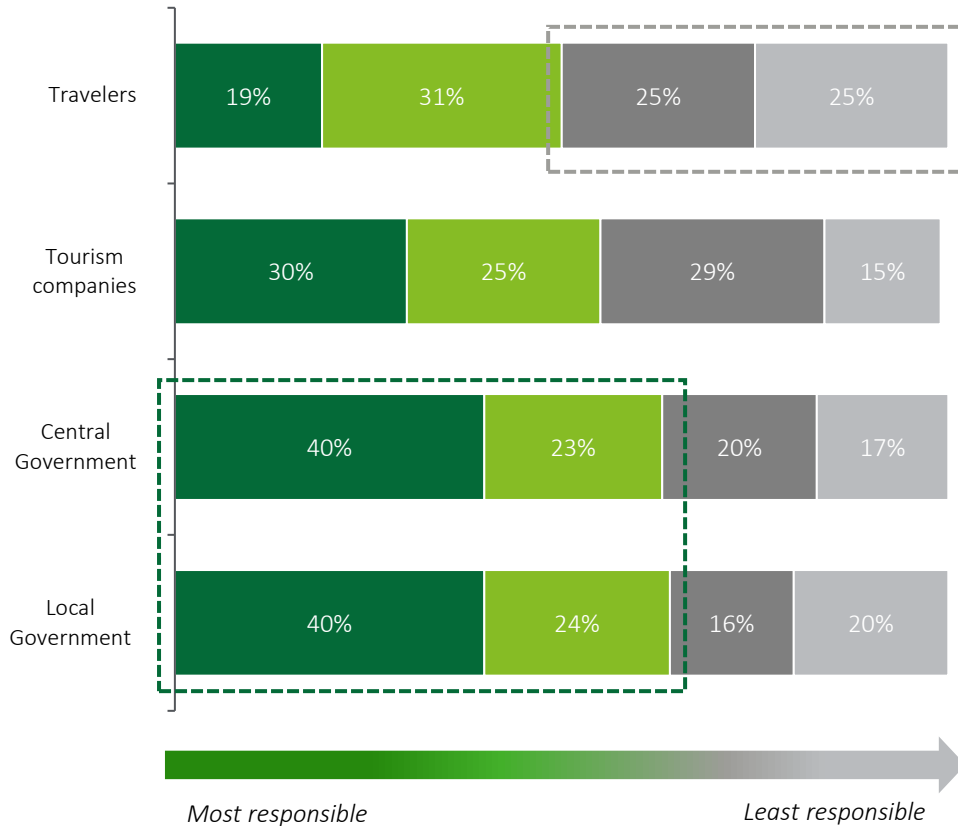
Consumer behavior & preferences

Government (both central and local) is perceived by most respondents as being the most responsible party for reducing the environmental impact of tourism.

- On the other hand, International studies and best practices indicate that both travelers and tourism companies across the entire value chain can become important change agents for driving the sustainability agenda forward. Therefore, a collaboration across all parties is essential to accelerate change within the industry in an impactful, collaborative effort.



 Which group do you see as being most responsible for reducing the environmental impact of tourism? (1=most responsible to 4=least responsible)  
 (% responses on scale response, 204 responses)



Focus on Travelers | “The responsible traveler era”

**50%** of respondents believe that travelers are not responsible for reducing the environmental impact of tourism

In contrast to the perceptions of Greek tourism enterprises, Booking.com study<sup>1</sup> shows that travelers are not only switching to responsible travel, but they also opt to become changemakers by acting sustainably and giving back to local communities. Indicative actions include:

- Choosing eco-friendly transport for sightseeing purposes (43% of travelers)
- Favoring small independent stores at their travel destination (44% of travelers)
- Opting to spend their budget on businesses that commit and benefit to local communities (69% of travelers)

Focus on Government | “Public & private collaboration”

**>60%** of respondents have selected Government to be “most responsible” for reducing the environmental impact of tourism

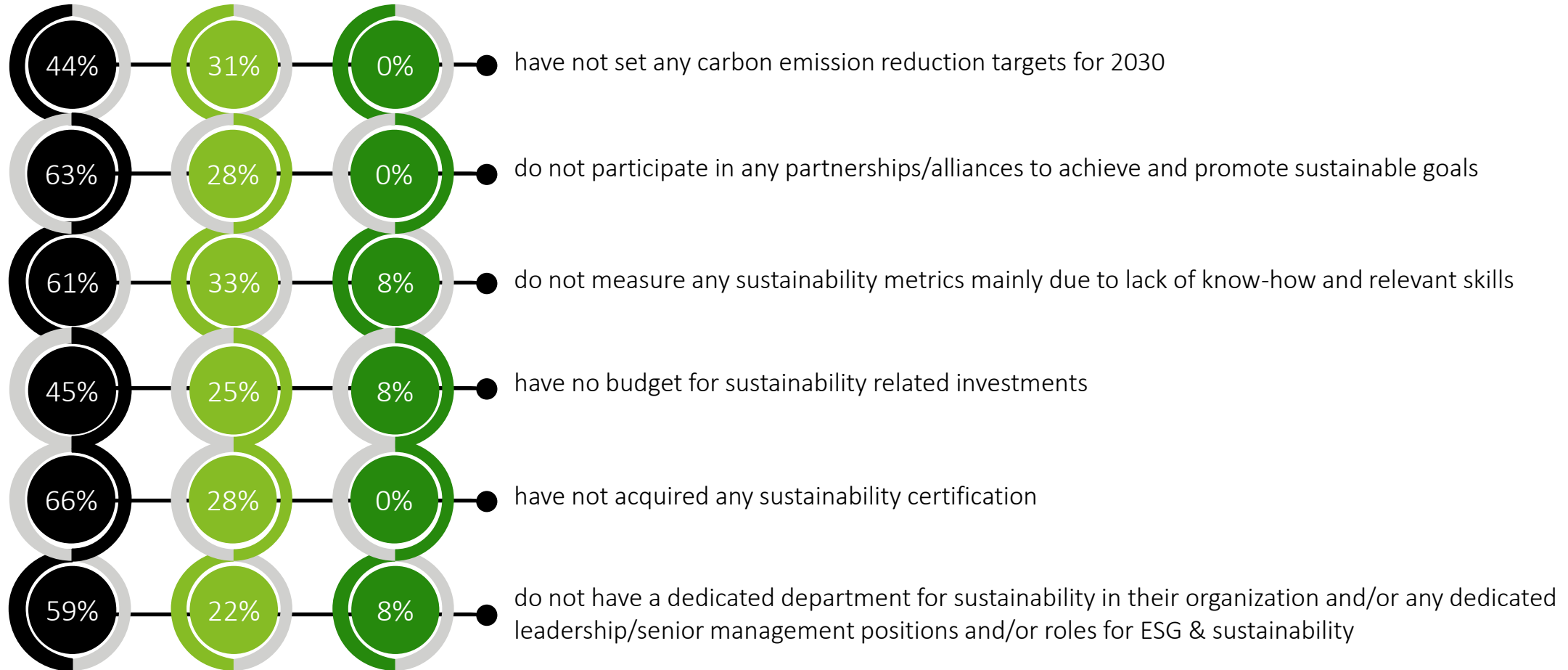
- Government is perceived to be at the forefront of sustainability transition efforts and should embrace the issue on a national agenda.
- Despite the shaped perception, according to 2023 Deloitte CxO Sustainability report, only 1 out of 3 executives globally believe that Governments are taking “serious” action on climate change.

<sup>1</sup> Sustainable travel report 2023 | Booking.com

Small and micro enterprises

Greek tourism enterprises of smaller size seem to lag behind in all areas of sustainable action under examination.

According to the survey findings, Greek tourism enterprises of smaller size (with revenues of €10 million or less) seem to lag in all areas under examinations. This can be mainly attributed to shortage of financial resources, limited awareness, knowledge and capabilities.



Enterprises with revenues up to €10.0 mil.
  Enterprises with revenues between €10.0-50.0 mil.
  Enterprises with revenues higher than €50.0 mil.



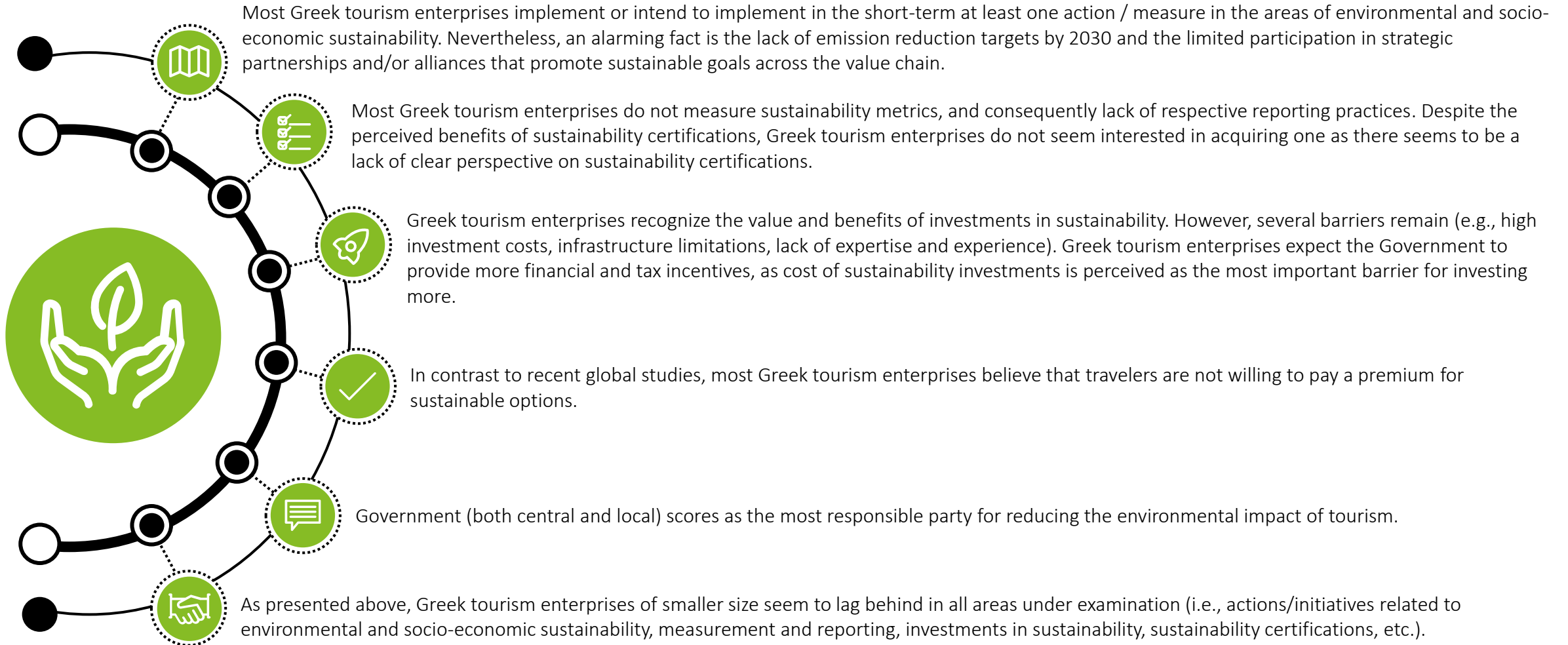


## Key survey highlights & recommendations



Key survey findings

Survey findings indicate that Greek tourism enterprises are yet to realize the potential of adopting sustainable practices and actions / initiatives at the core of their strategy and business/operating model despite the perceived value, benefits and importance. Larger tourism enterprises seem to be steps ahead compared to smaller ones (i.e., small and micro companies), in terms of both realizing the urgency and importance of sustainability for the sector and taking sustainability action.





Key recommendations for Greek tourism enterprises

Our survey shows that Greek tourism enterprises need to reconsider their sustainability strategies and radically transform their business & operating models to respond to shifting market conditions calling for greater sustainability. So, how can they help close the gap between ambition and impact, break through the barriers to greater action, and start to balance the near-term costs of sustainable actions / initiatives with the long-term benefits? Here’s how they can get started:



**Incorporate sustainability and climate goals into overall strategy**

Greek tourism enterprises need to develop a holistic view of their sustainability and climate goals and integrate that view into their strategy, business and operating model. By viewing sustainability through the lens of growth and opportunity, businesses can apply their creativity and innovation to tackle sustainability challenges while also opening up new business models, strategies, products, and services. Although investing in the necessary change today may cause temporary financial discomfort, effective investments will pay off in the long run, especially as demand for sustainable products and services increases.



**Look beyond the obvious investments and the organization’s boundaries**

Although, most Greek tourism enterprises undertake sustainability actions and investments, they seem to revert to known solutions for reducing energy and water consumption and manage waste. Investing in new climate technologies, experimenting with new solutions and applying new innovative business models can provide strong competitive advantages as competitors all over the world struggle to understand how to turn the sustainability imperative into an opportunity. Such systemic change cannot happen in silos and through individual efforts and initiatives. Collaboration is key. Government, business, and society must work together to achieve a shared vision for sustainable growth.



**Embed sustainability in the organization**

Based on the findings of our survey, most Greek tourism enterprises do not seem to realize the potential opportunities and threats that are imminent in the near future, and they do not have dedicated departments, roles and / or employment and training programs for ESG and sustainability. As stewards of their organizations, boards and top-management in tourism organizations can play a vital role in guiding businesses toward a more sustainable future. However, Greek tourism enterprises need to enhance the knowledge and skills of their top-management on the value and benefits of sustainability in order to appraise and plan their next steps.



**Monitor and report progress against sustainability targets**

Greek tourism enterprises need to define consistent metrics, set clear targets and monitor their performance as accurately and regularly as possible. Moreover, they need to be transparent, and openly discuss sustainability performance and improvement areas with key stakeholders, their clients and the public. By ensuring the data they report is relevant and reliable. Greek tourism enterprises will instill internal discipline and commitment to credible sustainability action and also fight against mounting concerns around greenwashing and skepticism around the seriousness of the private sector to address climate change and give back to the society.



### Key recommendations for policy makers

Sustainability should be the responsibility of all stakeholders involved in the tourism value chain. However, and based also on the survey findings and the characteristics of the Greek tourism industry (i.e., most Greek tourism enterprises are family-owned and SMEs, there is limited knowledge, expertise and experience around ESG and sustainability, the high investment cost is the key barrier, etc.), there is a clear need for Government and policy makers to take a leading role if truly significant progress and development is to be achieved towards making Greek tourism more sustainable.



#### Provide a path and strategy towards sustainability in the tourism sector

Greek tourism enterprises expect central and local government to lead the way in reducing the environmental impact of tourism. Although the responsibility of travelers and businesses is undeniable, it is globally recognized that governments and policy makers should take immediate and serious action for promoting sustainability. Comprehensive strategies and policies at national and destination level, comprising both targeted incentives (financing, tax reliefs, etc.) to ignite and support sustainability investments and focused actions to increase awareness, readiness, and knowledge (e.g., sustainability accelerators, training programs, awareness campaigns, networks) among enterprises are required.



#### Focus on small and micro tourism enterprises

Small and micro enterprises (i.e., with annual turnover of €10 million or less) represent the bulk of the Greek tourism sector and collectively have a large impact both on the performance of the sector and its environmental footprint. As is apparent from the results of this survey, smaller businesses struggle to cope with the ever-increasing sustainability requirements posed by external forces (e.g., traveler expectations and preferences, value chain partners, regulation, pressure from competition). They lack the awareness, know-how and resources to plan and implement appropriate sustainability investments and measures. In simple words, at large, they do not understand the value and benefits of sustainability, they do not know how to act, and they cannot sufficiently support sustainability actions due to lack of resources, mostly financial and human. Focused efforts to effectively support such small and micro enterprises at all fronts (financing, training/skills development, awareness, measurement and reporting, etc.) could yield substantial benefits and accelerate the path of the country towards a more sustainable tourism sector.



#### Establish a clear and optimized regulatory framework for sustainability in tourism

Further regulatory measures to enforce sustainability-related action are not a popular choice among survey respondents. Nevertheless, global experience shows that a suitable regulatory framework comprising specific targets linked to sustainable tourism indicators, and accompanied with adequate supervision and control over its enforcement and implementation is key for promoting sustainability in any sector, all the more so for the Greek tourism sector with its substantial impact to the Greek economy and environment and its interrelations with many other sectors of the economy and the country's infrastructure. As EU's Green Deal and the Greek National Climate Law have set the basis and overall targets, more specific and granular regulation for the Greek tourism sector, providing targets and requirements for the sustainability performance of Greek tourism enterprises, could boost action by both encouraging/supporting and enforcing the implementation of sustainability-related measures and investments.



#### Consider establishing a national sustainable tourism program

Our research showed that a good majority of Greek tourism enterprises, do not measure sustainability metrics, have not implemented, and are not in the process of implementing any sustainability reporting standards/ practices, have not yet set any emission reduction targets and do not have any sustainability certification. This observation could be attributed to an apparent lack of awareness about the benefits of sustainability, knowledge about how to proceed, motivation to take action, resources to support such action and ability to work collectively. A comprehensive and well-designed national sustainable tourism program comprising certification, target-setting, measurement and reporting schemes and tools for tourism enterprises across the value chain, and potentially linked also to incentives, could provide a framework that would alleviate many obstacles but also excuses for more concentrated and measurable action.



“ Even though sustainability trends are on the rise, the Greek tourism is yet to adopt and implement practices and measures that set the tone for the future standards of the industry.

Consequently, Greek tourism enterprises, need to be prepared for the “new normal” and enhance their sustainable strategies and business & operating models with a focus on responding effectively and efficiently to the changing landscape and seizing the opportunities for their future business.

We recognize the role and importance of sustainability in providing value, and we can support your transition to a more sustainable future.

Our insights can help you take advantage of emerging trends in order to adapt, respond and thrive in the new “Sustainability Era”. If you are looking for fresh ideas to address your challenges, **LET’S TALK ABOUT SUSTAINABILITY.**”



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