

CORPORATE SOCIAL LEADERSHIP
IN TRAVEL & TOURISM

WORLD TRAVEL & TOURISM COUNCIL



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WORLD TRAVEL & TOURISM COUNCIL

THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE FORUM FOR GLOBAL BUSINESS LEADERS COMPRISING THE PRESIDENTS, CHAIRS AND CEOs OF 100 OF THE WORLD'S FOREMOST TRAVEL & TOURISM COMPANIES.

Since 1990, WTTC has been raising awareness of the contribution that Travel & Tourism makes to the whole economy, demonstrating a far greater impact than had previously been realized. Over the same period, a shift has taken place in the consciousness of the western world. There is a growing concern about poverty and the widening gap between rich and poor, with evidence of a return to community principles. In the private sector, while profit is the foundation on which business is constructed, many companies are now seeking ways to create value for society while creating value for their business.

This report has two aims:

- The first is to highlight to policy makers that Travel & Tourism can be part of their vision for addressing some of the world's foremost challenges. It brings prosperity to people and places for which few alternatives are available, bridging the gap between the 'haves' and the 'have-nots' whilst protecting our natural, social and cultural heritage.
- The report's second aim is to encourage leadership in corporate social responsibility within the Travel & Tourism industry. Those who exercise social leadership today will have a competitive advantage in tomorrow's demanding market.

The first part of the report sets the context – the challenges now facing the world and the response of the

business community. It then shows why Travel & Tourism has a critical role to play. After outlining current industry initiatives to promote sustainability, the report presents the business case for greater social leadership within Travel & Tourism as the way forward.

The second part of the report highlights examples of what WTTC Members' companies are doing in the fields of sustainability and corporate social responsibility and the views of a number of Members themselves.

Making Travel & Tourism work for everyone needs to be high on the agenda of both public and private sectors. A new movement is underway. It needs everyone to work together. WTTC and its Members stand ready to do their part.



JEAN-CLAUDE BAUMGARTEN

President

World Travel & Tourism Council

BUSINESS & SOCIETY:

THE NEW CHALLENGE

“Sustainable Development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

*Brundtland
Commission, 1987*

In the past 50 years, globalization has helped to generate unprecedented prosperity. At the same time, the world faces enormous and critical challenges. Persistent poverty in many areas, mismanaged economic development, environmental degradation, social inequalities and disappearing cultural heritage all threaten to undermine the progress that has been made.

The Challenge: Sustainable Development

Facing these challenges, there has been a growing emphasis by world leaders on the need for long-term ‘sustainable development’ – pursuing needed economic growth in the present, while preserving the natural and human environment on

which quality of life and future growth depend. This has been the subject of two successive world summits: the 1992 Earth Summit in Rio de Janeiro and the 2002 World Summit on Sustainable Development in Johannesburg, South Africa.

The Business Response: From Corporate Philanthropy to Corporate Social Responsibility

Many companies have a long tradition of corporate philanthropy, taking a portion of their profits and returning it to society as charitable contributions to a variety of causes. However, with the emergence in the last decade of a global market-based economy, there is a growing consensus that the private sector has a larger role to play.

It is recognized that companies have social responsibilities that go well beyond their commercial duties and the traditional role of wealth generation and profit making. There is increasing interest in their capacity to help mitigate the negative aspects of globalization and proactively address issues facing society.

The new standard is for business to exercise ‘corporate social responsibility’ (CSR). While there is no single definition of CSR, it clearly does not refer just to charitable contributions detached from a company’s core business. It means adopting open and transparent business practices that are based on ethical values. It means responsibly managing all aspects of operations for their impact not just on shareholders, but also on employees, communities and the environment. Ultimately, CSR is about delivering sustainable value to society at large, as well as to shareholders, for the long-term benefit of both.

There is evidence that various ‘stakeholders’ in

the global market – business, consumers, investors, employees, governments and local communities – are beginning to make choices that reflect this new standard: polls indicate that some consumers are making product choices based in part on the producer’s ethical reputation (Appendix I contains examples of consumer research); socially responsible investing is on the rise, as witnessed by the growth in the FTSE4Good index and the Dow Jones Sustainability Group Index; and voluntary guidelines by governments and non-governmental organizations are proliferating.

In the private sector, many businesses, including the majority of FTSE 100 companies in the UK, now include social and environmental commitments in their core mission statements. A growing number are also adopting ‘triple bottom line reporting’ in which social and environmental results are measured and reported next to financial results.

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“...let us choose to unite the power of markets with the authority of universal ideals. Let us choose to reconcile the creative forces of private entrepreneurship with the needs of the disadvantaged and the requirements of future generations.”

*Kofi Annan,
UN Secretary
General*

“68 per cent of CEOs agree that the proper exercise of corporate social responsibility is vital to companies’ profitability.”

*Fifth annual Global
CEO Survey,
PriceWaterhouseCoopers*

Corporate Social Leadership

However, these developments are not yet happening at a sufficient pace to create an effective force for change. Recognizing this, some visionary business leaders at the forefront of this trend are personally, as well as professionally, committed to making a difference and demonstrating social leadership.

Corporate social leadership means going beyond managing a company's impact, to actively seeking ways that companies can leverage their grassroots presence and unique capabilities to help tackle social problems. According to Steve Hilton and Giles Gibbons in their book, *Good Business*, it means finding a dual purpose, social as well as commercial, for every aspect of company operations. This approach requires vision by senior management, demanding a long-term com-

mitment to build an intangible asset that may not have immediate financial returns, and a willingness to make changes to the company's management structures.

These visionary business leaders – who make the creation of value for society an integral part of creating value for their companies – have the opportunity to be part of the solution to challenges facing the world, benefiting both business and society.

TRAVEL & TOURISM: PART OF THE SOLUTION

Because of its size and its interconnectedness with all parts of the economy, Travel & Tourism is one of the largest sources of economic activity in the world. At the same time, it can be an important force for sustainability by raising living standards in under-developed areas, promoting preservation of the natural and human environment and providing a vehicle for peaceful international exchange. Travel & Tourism can be part of the solution to the world's challenges because of these key characteristics, which are described further below:

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● As one of the world's largest and fastest growing industries, Travel & Tourism is, and will continue to be, a significant source of growth and prosperity worldwide.

Using Tourism Satellite Accounting, an accredited econometric tool, WTTC each year measures the full economic impact of Travel & Tourism in over 160 national economies. The results have shown that this impact is far greater than had previously been expected. According to WTTC research, Travel & Tourism generates economic activity worldwide representing over ten per cent of total global GDP. The industry also accounts for over 200 million jobs (direct and indirect).

With 4.5 per cent growth forecast per annum for the next ten years, Travel & Tourism is not only one of the world's largest, but one of its fastest growing industries.

● Travel & Tourism can help raise living standards and alleviate poverty in underdeveloped areas.

Present in local communities throughout the globe, Travel & Tourism is often an early investor and one of the few sources of economic activity in some of the world's least developed areas. As a

consequence, it can raise incomes and contribute to poverty alleviation by:

- Stimulating the development of infrastructure that underpins the entire economy, including: transport such as airports, seaports and roads, public utilities to supply water and power and recreational facilities such as parks, stadiums and museums.
- Generating demand for a wide variety of locally supplied goods and services, providing jobs and training for local people and opportunities for entrepreneurs;
- Employing women, youth, the unskilled and people in rural and remote areas, who might otherwise have few opportunities.

Travel & Tourism is regarded as the best development option in many emerging economies, an effective way of utilizing their natural and cultural resources to create jobs and wealth. The share of international tourism arrivals to developing countries grew from 19 per cent in 1980 to 30 per cent in 2000.

● Travel & Tourism provides powerful market incentives to protect and preserve fragile eco-systems, endangered wildlife and unique cultural heritage.

“Addressing poverty is not just an issue of morals. Poverty presents risks to the tourism industry in the form of instability, violence and conflict. At the same time, tourism is growing fastest in poor countries. Enlightened self interest requires that companies take action to address poverty and as a result minimise risk and open up new opportunities.”

Dilys Roe,
International
Institute for
Environment and
Development

“...fair and ethical tourism should become the standard, not only focusing on the ecological consequences of tourism, but first and foremost on its social, economic and cultural consequences.”

Tourism Caucus,
UN Commission
on Sustainable
Development

“Hotels, airlines, tour operators and others are engaging in a variety of activities that would have been unheard of ten years ago. As travellers seek out more unique experiences, pioneering companies are trailblazing new practices for the entire industry. The glimmers of the future of tourism are evident in this work.”

Michael Seltzer,
Director, Business
Enterprises for
Sustainable Travel
(BEST)

Travel & Tourism’s ‘product’ is the places that people visit. Protecting destination communities – the people, their unique cultures and beautiful natural settings – is critical. Failure to maintain their well-being destroys the very attractions on which the industry depends directly for success. Unfortunately, this lesson has often been learned the hard way, after damage to local environments, for example, or after a decline in local community conditions has led to a reduction in tourism.

For governments, tourism can represent an alternative ‘use’ for natural and cultural resources that might otherwise be destroyed – by land development, by illegal activities such as wildlife poaching and the looting of ancient cultural sites, or through neglect. Tourism often provides a better economic return on these valuable assets, while rewarding their long-term preservation.

As a primary medium of international exchange, Travel & Tourism brings people from diverse cultures together.

In a very real way, Travel & Tourism depends on international peace and prosperity. By creating opportunities for hosts and visitors to learn about each other and share experiences, tourism can even contribute to international understanding and cooperation and, in the long term, has the potential to build bridges of peace.

For all these reasons, the Travel & Tourism industry has a vital stake and a critical role to play in helping to address the challenges now facing the world, contributing to development that is economically, environmentally and socially sustainable.

PROGRESS TO DATE: TRAVEL & TOURISM AND SUSTAINABLE DEVELOPMENT

Making Travel & Tourism work for everyone requires the active engagement of all stakeholders – governments, businesses, local communities and the travelling public.

While governments have begun to understand the contribution that the industry can make to sustainable development, their record in adopting appropriate policies to encourage sustainable, economically viable tourism is mixed. For progress to be made, the Travel & Tourism private sector must play a central role.

Between the 1992 Rio Earth Summit and the World Summit on Sustainable Development in 2002, considerable advances were made towards sustainability in the Travel & Tourism industry:

- Many Travel & Tourism companies have integrated environmental protection into their operations, mitigating their impact on fragile eco-systems and scarce resources.
- Some companies are also addressing their

economic, social and cultural impact on host communities, for example: working with public authorities to ensure that plans for tourism growth are compatible with development goals; actively promoting locally based tourism related businesses; training local people for employment in management positions; educating visitors about local conservation issues; and promoting culturally-sensitive tourism activities.

- A wide variety of cross-industry programmes – such as global funds and foundations, eco-labels and certification schemes, codes of conduct, and awards – have been set up to further encourage sustainable Travel & Tourism company practices.
- The industry as a whole has contributed proactively to the global dialogue on

sustainable development, making concrete proposals for how it can help implement Agenda 21. Appendix II sets out WTTC's record on sustainable development. Appendix III lists organizations concerned with tourism and sustainable development.

But, while these are important steps, they are not enough. The response of the Travel & Tourism industry is still piecemeal and change is relatively slow. One reason for this is the highly fragmented nature of the industry, the great

majority of which consists of independent small and medium sized businesses scattered across the globe, often running on fragile operating margins.

The real challenge is to move beyond the current *ad hoc* approach, to evolve new patterns of Travel & Tourism business that integrate social, economic and environmental sustainability and to encourage a vast and fragmented industry to follow suit. In short, what is required is a greater leadership in corporate social responsibility within the Travel & Tourism industry.

SOCIAL CORPORATE LEADERSHIP:

THE BUSINESS CASE

Greater Corporate Social Leadership within Travel & Tourism is vital to the industry's future because it will help ensure thriving, attractive and welcoming destination communities that will draw visitors, the basis for long term growth and profitability. Creating a positive environment for tourism in the long term will require the entire industry to adopt responsible, sustainable practices.

Not only is corporate social leadership important for the good of the industry as a whole, it is also becoming a competitive issue for individual companies. Those companies with a reputation for social leadership today will be the winners of tomorrow. Travel & Tourism's corporate social leaders will:

- Be favoured by a growing number of national government authorities and local communities who are prioritizing sustainable tourism that benefits destinations;
- Build brand value and win market share with the growing number of environmentally and socially conscious tourists and other travellers;
- Attract socially conscious investors, improving access to capital and building share value;
- Enhance their ability to recruit, motivate and retain employees, both in destination communities and throughout the organization;
- Be better positioned to assess and respond to risks and opportunities in the market.

A voluntary approach is crucial. To take advantage of what

business has to offer – entrepreneurship, innovation, and management capability – companies must be free to choose how they respond to community needs as the competitive market dictates. Attempting to regulate social responsibility would not only be impractical, given the diverse needs of different communities, it would undermine the personal commitment and creativity that fuel it.

Companies that take the lead now will find themselves at a competitive advantage in five years. Incorporating environmental and social issues into the bottom line makes business sense and doing it now will serve shareholders in the long term.

WTTC encourages its Members and the key players of the industry to show corporate social leadership and integrate this social and environmental focus into its core values and operations to ensure the sustainable long term growth and development of the Travel & Tourism industry.

“Efforts to ensure that economic development can take place sensitively in relation to the environment and culture and that the development is of real benefit to society requires a great deal of co-operation, but the rewards for success are great, for the country concerned, for the business and all those involved in it, and not least for the customers. It is great to see the Travel & Tourism industry really working to address this challenge.”

**Sir Mark
Moody-Stuart,
Former Chairman
Business Action for
Sustainable
Development
& Former Chairman
Royal Dutch/
Shell Group**

Front Cover: Today's business leaders looking to the future
This Page: Tomorrow's leaders enjoying today





ABERCROMBIE & KENT

Abercrombie & Kent provides upscale adventures and luxury travel in more than 100 countries on all seven continents.

Bringing visitors to some of the world's most remote and pristine areas, Abercrombie & Kent is committed to low-impact, sustainable tourism that protects the environment and benefits indigenous peoples.

The Abercrombie & Kent Global Foundation provides long term support for the protection of natural ecosystems. It aims to achieve preservation through the sustainable unification of environmental and economic goals, linking commercial tourism to local conservation programmes. It provides assistance to reserves and parks and surrounding communities and helps to cope with the environmental consequences of man-made disasters. All Foundation projects are conducted in cooperation with local peoples and regional non-governmental organizations. In 2001, \$500,000 in support was given for projects in 20 countries on all seven continents. Guests often visit project sites, providing an opportunity for meaningful contact between travellers and residents.

The company has also created a model for ecologically sensitive safari lodging at its Olonana resort in the Masai-Mara region of Kenya. The aim is to share the economic benefits from tourism with the indigenous population, to encourage the preservation of the sensitive habitat. An agreed allocation from tourism revenues is provided to the local community. The model also includes: a wetlands project through which treated wastewater is returned to the eco-system; the Olonana Forestry Initiative, in which indigenous seedlings are used for reforestation; and a shop where artisans from the local Maasai village sell their traditional arts and crafts. Abercrombie & Kent maintains more than 45 offices on six continents, which employ more than 3,000 local citizens with an intimate knowledge of local flora and fauna. Extensive training is provided and professional advancement is encouraged.

“We believe that responsible tourism is the answer to conserving our world’s natural resources. It is the experience of a place that makes us want to preserve it for others to enjoy.”
Geoffrey J. W. Kent
Chairman & CEO



ACCOR

Accor is one of the world's largest travel, tourism and corporate services groups, with 147,000 associates operating in 140 countries.

As a global tourism company, Accor believes it has a responsibility to care for the local environment where it operates. To fulfil this commitment, Accor has integrated environmental stewardship into its corporate governance and reporting structure. An Environmental Charter and a senior-level Committee on

Sustainable Development, headed by a member of the Management Board, guide environmental activities worldwide. Recently, Accor created a new position of manager for sustainable development to coordinate actions and programmes. Local initiatives are identified and carried out by the staff of individual operations, who are familiar with local issues - more than 800 projects have been initiated to date, in various fields, primarily humanitarian aid and protection of environmental and cultural heritage. Examples include the *A Tree for a Child* programme in Indonesia, aimed at helping to alleviate poverty while protecting the environment, and the restoration of the Red Chapel at Karnak in Egypt. The success of each project is measured using indicators developed by outside special agencies. Assessment has shown the projects to be effective and economically viable. Accor believes that these actions, together with its overall commitment to sustainable development, have both enhanced the global reputation of the group and increased customer demand for its brands.

“Corporate social responsibility is part of the future for all companies. With the creative use of incentives and awards, the entrepreneurial spirit and market forces can be harnessed for the good of business and society.”
Jean-Marc Espalieux
Chairman of Management Board & CEO

In 2002, Avis Europe launched a major initiative aimed at actively combating global warming, taking concrete steps to ensure that its business is carbon neutral. In partnership with Future Forests, Avis Europe has launched a three-point 'green plan' to offset the carbon dioxide emissions from both its own operations and its car rentals, which has been well received by staff, customers and business partners. The plan includes:

- A Europe-wide carbon neutral initiative to offset operational emissions through Future Forests' tree planting programmes. Indigenous trees planted at sites across Europe will re-absorb an equivalent of 32,510 tonnes of carbon dioxide over their lifetime.
- The world's first carbon neutral car rentals for online customers, in which customers are encouraged to offset their car rental emissions as part of the online booking process.
- A target to reduce operational CO² emissions from 2003.

“Through this project with Future Forests, we have seen the value of tackling global warming. As the first in the industry to make these commitments, we hope that our actions, together with those of our customers and staff, can make an impact on global warming and that by encouraging others to follow suit, we can all move towards a sustainable transport sector.”

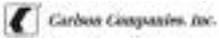
Alun Cathcart, Deputy Chairman

British Airways has made sustainability an integral part of its business management process. A company-wide Social and Environmental Policy was developed and is published on the company's website. A Sustainable Business Unit was created to oversee activities, provide advice and support, and monitor and measure results. A senior management level Environment and Social Council has met two to three times per year to discuss policy and strategies and review performance against targets. All activities are published in an annual Social and Environmental Report. The company uses the Global Reporting Initiative guidelines for sustainability and has introduced a code of business conduct for social and ethical accountability. With regard to charitable giving, British Airways meets the UK's Business in the Community Percent Club criteria and support is maintained irrespective of financial performance. Specific initiatives include:

“I am convinced that the Travel & Tourism industry has a huge opportunity to contribute to building a sustainable global society. By bringing people into contact with different cultures and environments across the globe, we can increase awareness about the issues involved and about what is needed for responsible practice.”

Rod Eddington, Chief Executive

- The Tourism for Tomorrow Awards, which recognize innovative sustainable tourism projects around the world, and have received wide media attention.
- The Change for Good programme in partnership with UNICEF, in which British Airways customers have given more than £14 million for children's programmes around the world.
- The Communities and Conservation programme, which donates some £1 million each year in travel awards to organizations working on youth development and education, heritage and tourism, and the environment.



CARLSON COMPANIES, INC.

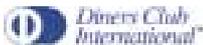
Carlson Companies is a global leader in corporate solutions and consumer services in the relationship marketing, travel and hospitality industries.

Carlson Hospitality Worldwide is committed to supporting both responsible environmental and social best business practices in hotel operations. Environmentally sustainable practices are encouraged company-wide, including water conservation, paper reduction, energy management and employee awareness training. Carlson Cruises Worldwide is a strong supporter of local charities and surpasses International Maritime Organization standards for cruise ships, employing state-of-the-art water treatment systems. Carlson Restaurants Worldwide assists non-profit organizations that focus on diversity, hunger, children and education, through volunteering and fundraising.

These activities are part of Carlson Companies' long-standing commitment to business ethics and humanitarian community involvement. For example, every year, the company gives five per cent of pre-tax profits to community causes, and it actively facilitates employee community involvement. In 2002, the Curtis L. Carlson Family Foundation co-founded the World Childhood Foundation, whose mission is to promote better living conditions for vulnerable and exploited children and give them the opportunity to become strong, secure people and good citizens. In 2001, the Carlson Volunteer Connection was launched, an automated on-line intranet system that connects employees with hundreds of community volunteer opportunities in its home city of Minneapolis. The company has also been recognized for creating an excellent workplace for employees, and in 2001, Marilyn Carlson received the FIRST Award for Responsible Capitalism.

“As global companies become citizens of everywhere, each must be on guard that they don't become ‘citizens of nowhere’. As a family owned company, we have a deep sense of commitment to being good corporate citizens and promoting the sustainable development of local communities. We do this not only by creating value, but by placing the highest possible value on our employees, our communities and the environment.”

Marilyn Carlson Nelson
Chairman & CEO



DINERS CLUB INTERNATIONAL

Diners Club International, part of Citigroup, is the global leader in serving corporate payment needs of multinational corporations around the globe.

As part of Citigroup's corporate citizenship programmes, Diners Club, in partnership with other Citigroup businesses, uses its financial expertise to help build economic competence and capacity in emerging markets around the world. All projects are initiated and conducted by local affiliates, with active participation by employees. Three main areas are targeted:

“The company extends resources to benefit others as part of a philosophy that it is the right thing to do, and that economically healthy communities go hand-in-hand with business success.”

William H. Friesell
Chairman & CEO

- Financial education programmes that increase people's ability to make informed financial decisions and develop assets - such as a home, small business or an education - that will contribute to family stability, good consumer habits and an increased stake in one's community.
- Preparing the next generation through teacher training programmes in low-income communities and scholarships to increase access to higher education.
- Building communities by helping local financial institutions to construct affordable housing, revitalize low-income areas, make infrastructure improvements and encourage environmentally sustainable practices.

Lusotur developed and manages the resort of Vilamoura, Portugal, one of Europe’s best and largest private resort communities.

In 1996, a new ownership and management team at Lusotur undertook to transform Vilamoura - one of Europe’s largest tourism destinations - into an environmentally sustainable resort. The ‘Vilamoura XXI’ project was designed to integrate the holiday, residential and recreational facilities harmoniously with their natural environment. A company-wide environmental action programme was adopted at the site to monitor and control the environmental impact of all activities - including resource utilization, waste management, staff awareness-raising and stewardship of local natural and cultural heritage - and management structures were adapted to make environmental protection an integral part of operating policies and practices. The model is being applied at Vilamoura to all upcoming residential developments and company operations, including real estate development, marina and golf course management. The golf course and marina are already operated under an ISO 14001 certified Environmental Management System. Lusotur’s success in converting a large scale tourism destination into an eco-friendly resort, while maintaining economical viability, has received recognition from international media, government authorities and environmental groups.

“Tourism and environmental sustainability are not incompatible – this is the lesson of Vilamoura. Converting such a large resort into an environmentally friendly one was an enormous task. But by tackling it head-on in an innovative and comprehensive way, we found that investing in the environment was a sound investment in our business.”

André Jordan, Chairman

Marriott International is a leading worldwide hospitality company with operations in the U.S.A and 65 other countries.

Marriott actively supports communities around the world through its wide-ranging outreach programme, ‘Spirit To Serve Our Communities’. Through this programme, Marriott encourages its hotels and employees to give resources, time and energy to activities that help solve critical needs. Staff involvement is central to all activities, and each year employees give tens of thousands of hours, and millions of dollars in cash and in-kind support, to help sick children, build houses, mentor students, assist in disaster

recovery and clean up the environment. Activities are conducted in cooperation with non-profit partners such as the International Red Cross & Red Crescent Societies, Habitat for Humanity International and Children’s Miracle Network. An annual day of global service called Spirit To Serve Our Communities Day is set aside to help employees get involved.

“I’ve been in this business for a long time and know first hand that tourism is the economic cornerstone of many communities around the world. While a thriving tourism industry can provide a better livelihood for local people, it cannot be at the expense of the environment and local culture. Travel & Tourism has come a long way in the past decade in facing up to its social and environmental responsibility, and we are proud to be part of organizations such as the WTTC that are ‘raising the bar’ for the industry.”

**J.W. Marriott, Jr.
Chairman & CEO**

Marriott is also committed to addressing environmental issues. All operating units employ methods of waste removal, recycling, and energy and water consumption that preserve natural surroundings and resources. And all Marriott hotels are encouraged to adopt eco-friendly practices, using a framework established by the company’s Environmentally Conscious Hospitality Operations (ECHO) programme.



MÖVENPICK

Mövenpick is one of the world's leading chains of hotels and resorts for Europe, the Middle East and North Africa.

Mövenpick is dedicated to the development of local people, including employees, wherever it operates. For example, at the Mövenpick Resort Petra and the Mövenpick Nabatean Castle Hotel in Petra, Jordan, local people are encouraged to follow careers at the hotel. Four local employees are selected each year for a one-year management training programme. The hotel's Executive Assistant Manager, in charge of operations, is a local employee who began as a front office clerk, and the hotel is working with the community to employ local women. In addition, hotel executives volunteer to regularly conduct lessons at local schools in basic hotel and other business practices, broadening the perspectives of both the executives and local students. These programmes have received praise both from members of the local community and from guests. They have also resulted in a high standard of service that has enhanced the hotel's market performance and revenues.

“We strongly believe that local people who live around our hotels, especially youth, are our future. In the hotel business, we have a responsibility and an excellent opportunity to help people develop in ways that will contribute to the prosperity of the entire community and help individuals realize their dream of a better life. At the same time, this approach is good for our business; when you help people, they do their best for you.”

Jean Gabriel Peres
President & CEO



NOEL GROUP

Noel Group is a global family of service, travel, insurance and real estate companies.

Noel Group co-founders John & Patty Noel are committed to leaving a positive legacy in communities around the world where the Group does business. With the company motto, 'Where our directions are led by our values', social responsibility stands side-by-side with sales and profitability as a core business objective. The Group's focus is on social needs: helping children and the disadvantaged and promoting diversity. The Noel Compass Foundation was founded to fund these activities. One of its programmes, the Make a Mark Foundation, funds sustainable building projects such as clinics, schools and orphanages in developing countries. In all projects, emphasis is placed on employee participation and partnership with community organizations. Time, money and other material assistance are used to encourage wider involvement at the local level and ensure that projects are self-sustaining. The company's social involvement has attracted both customers and clients, many of whom contribute their own funds and time to projects. It has also engendered a sense of pride among employees and helped to create a positive working environment.

“For companies as for individuals, social responsibility is a question of values. There is nothing quite as important about our lives than our ability to help others. Our employees, our customers and our clients all share a real desire to be a positive force in the lives of people in the places where we work and visit.”

John M. Noel
President & CEO

Radisson SAS has a long-standing commitment to environmental protection and by 1997 most of its hotels had fully adopted practices laid out in its Environmental Standards Manual. However, understanding that a hotel's impact is as much social as environmental, in 2001 Radisson SAS launched a company-wide Responsible Business programme – a systematic, integrated framework for addressing both social and environmental issues at all of its 114 hotels in operation in Europe, Middle East and Africa. Indicators were developed to measure performance and improvements against concrete objectives, on which hotels are required to report annually. Each hotel has a part-time Responsible Business Co-ordinator who assists hotel General Managers with implementation, under the supervision of the corporate Environmental and Social Affairs Director. A Responsible Business Handbook provides a step-by-step guide for implementation and improving performance. The programme includes:

- A Responsible Business training programme for all employees, educating them about environment and social issues in the hotel business and how they can make a difference;
- Community involvement, particularly assistance for children in need;
- A rigid health and safety programme to protect guests, staff and operations;
- Procedures for reducing environmental impact through energy efficiency, use of renewable sources and waste management based on the principles of reduce, reuse and recycle.

“At Radisson SAS, our commitment to sustainable development and responsible tourism has developed considerably over the past ten years, and today we have made environmental and social responsibility a cornerstone of how we conduct business around the world. I am proud to say that our ‘Responsible Business’ programme has resulted in significant achievements, both to improve the quality of life in the communities where we operate and to reduce our impact on the environment. I have no doubt that these achievements will help shape the success of our company and, ultimately, define how Radisson SAS can contribute to sustainable development.”

Kurt Ritter
President & CEO



SINGAPORE AIRLINES

Singapore Airlines and its regional and cargo airline subsidiaries fly to 93 destinations in 38 countries. In 2001, it topped the airline category in Fortune Magazine's annual Most Admired Companies list.

Singapore Airlines has long practised good corporate citizenship through support for the arts, sports and education. Recently, however, the company has shifted its focus to providing long-term support for disadvantaged people – such as the elderly, the intellectually challenged and the poor – who may get little or no support from other sources. The company has pledged \$4 million to the Movement for the Intellectually Disabled of Singapore (MINDS) to help build a new headquarters and workshop, employing up to 400 intellectually disabled members. Company employees are also encouraged to volunteer to assist with other MINDS fund-raising activities. In Indonesia, where an estimated 12 million children have left school as a result of the regional economic crisis, the company has launched a seven-year scholarship programme that will benefit 4,000 school and university students.

“Singapore Airlines has long recognized the value of building strong relationships with the many communities we serve. Today, our programmes are focused on sustained support that will make a difference in the lives of those for whom there is little other recourse.”

Cheong Choong Kong
Deputy Chairman & CEO



SIX CONTINENTS

Six Continents is one of the leading global hospitality groups with some of the most recognized hotel brands in the world – as well as restaurants, pubs and bars.

Six Continents has implemented a series of strategically focused, continuously developing environmental initiatives designed to conserve energy while delivering tangible benefits to the bottom line. Across the Group, the use of external benchmarking of consumption is promoted with a view to managing energy and water use and waste controls in a more proactive way.

“At Six Continents, we take a complete approach to the way we do business. Our business touches tens of millions of people every year, ranging from the guests who enjoy our hospitality, to our investors, our employees and their families, our suppliers and business partners and the broader general public. Our company depends on all of these people, and we recognize that we have to be responsive and adaptable to their changing needs and their expectations for our corporate, social, environmental and ethical behaviour. Whilst our primary mission as a public company is to make profits to be able to pay our employees and shareholders, we also believe that modern companies need to be more than purely financial in their mission. Six Continents therefore seeks to embed good environmental, ethical and social practice into our business strategies and operations and accommodate the needs of local, national and international stakeholders. As an international business operating in nearly 100 countries we encourage sensitivity to the different cultures of our colleagues and customers, and seek to embrace diversity. It is a core value that we respect all of the many different environments in which we operate.”

Sir Ian Prosser
Chairman, Six Continents PLC

With regard to social contributions, Six Continents uses external benchmarks – including FTSE4GOOD, the Dow Jones Sustainability Index and Business in the Community's PerCent Club guidelines – to measure achievements, identify shortcomings and take appropriate corrective action. In addition, a 'Code of Business Conduct' guides all employees, to ensure that they act with integrity. Last year £1.5 million was contributed to charity, including contributions to partnerships with UNICEF and Victim Support, as part of a long-term commitment to return a percentage of profits back to the communities where they operate.



THE TAJ GROUP of HOTELS

The Indian Hotels Company Ltd is a Tata Group company. An international group, it is India's leading hotel chain and the country's leader in airline catering.

As part of a long-standing commitment to support community development, the Tata Group, which includes the Taj Group of Hotels, has integrated corporate social responsibility into group-wide management processes. A series of charitable trusts provide financial support for development, and most Tata Companies have these trusts as significant shareholders, dividends paid by the Tata companies provide funds for charitable and development activities. Each Tata company also has a mandate to conduct its own community development programmes using company resources, and a senior-level Tata Council for Community Initiatives ensures this mandate is fulfilled. The Group conducts regular assessments of what employees have learned from involvement in these projects and how this affects the organization. Within this framework, the Taj Group of Hotels focuses each year on one of several areas: women and development, education, health, vocational training and watershed development. For 2002-03, the focus is 'Empowering the Underprivileged Woman', which involves employees training women in skills that will help them get jobs and be economically independent. Employee involvement is strongly encouraged, to build a sense of service to the community and the underprivileged, an approach that has helped the Group build trust with local communities.

“ For the Taj Group, corporate social responsibility is nothing new. We have always regarded community development and helping the underprivileged as a fundamental responsibility of business, which is why it is a thoroughly integrated part of our business management processes. ”

Krishna Kumar
Managing Director



TUI

TUI is the world's leading tourism group, whose brands include TUI, Thomson Holidays, Fritidsresor, FIRST, Holland International, Lunn Poly, TUI hotels and resorts and the airlines Britannia and Hapag-Lloyd-Flug.

TUI has made environmental sustainability a priority for its extensive network of tourism holdings and destination partners. All activities are coordinated by a Group Environmental Management Department, whose purpose is to ensure that environmental quality management is integrated into every link of the tourism value chain. Several thousands of TUI hotel partners are monitored in accordance with TUI's

environmental quality standards - on energy and water use, waste treatment and conservation - and checked annually for compliance. Awards are used to encourage exemplary practice: the TUI Environmental Champion Award for hotels and the TUI Environmental Prize for community groups. TUI travel agencies and brochures give customers information about environmentally friendly hotels in destinations and local TUI tour services actively participate in conservation projects, such as reforestation and endangered species protection. All work is conducted in cooperation with experts, government agencies, nature conservation associations and other competent players in the field of environmental management. Because environmental degradation carries real economic costs and risks for business as well as communities, the company is guided by the conviction that tourism can and should be a leading force for conservation and sustainable development.

“ Sustainable development will make a valuable contribution to the development of shareholder value. By orientating ourselves in the long term to corporate value we must create the platform which enables this corporate value to be maintained and enhanced. ”

Michael Frenzel
Chairman, TUI A.G.



UNIGLOBE TRAVEL Inc.

Uniglobe Travel is the world's leading single brand retail travel franchise company, with 1,000 locations in 20 countries.

Within the Uniglobe organization, the concept of 'franchising' is used to maximize the effectiveness of its community activities. All operating units focus their energy and resources towards a common direction, thereby delivering greater results collectively than could be achieved individually. Efforts are focused on supporting the Easter Seal Society, which helps children with physical disabilities to achieve their full potential and independence. Within this broad common direction, each region makes a local decision about the extent of its involvement. The company is guided by the philosophy that contributing to society at large is both the right thing to do and good for business because it creates a collaborative organizational culture that is key to retaining motivated employees.

“ The soul of an organization is made more wholesome by the gesture of giving. It adds character and balances the quest for profit with the equally important characteristic of contributing to the broader community. To be really effective, however, a business should provide visible leadership that others can follow. ”

**U. Gary Charlwood, Founder
Chairman & CEO**



WORLDSPAN

Worldspan provides global electronic distribution of travel information, Internet products and connectivity, as well as electronic commerce capabilities for travel agencies, travel service providers and corporations worldwide.

Worldspan President & CEO, Paul Blackney, believes that corporate social responsibility should be a philosophy that permeates the organization and a process in which everyone is involved. Hence, with the CEO as a catalyst, the company focuses on direct employee participation in community initiatives. To ensure

appropriate focus, a dedicated department within Worldspan reviews and decides on each request for assistance or participation. Worldspan programmes address both environmental and social needs. In its home community of Atlanta, Georgia, the company designed the city's largest van pool programme, to help reduce air pollution and fuel consumption, and it is now helping state and local authorities to promote the practice with other companies. Worldspan also supports the arts, supplies materials, equipment and tutoring to disadvantaged youth at local elementary schools, and funds preferential house mortgages for disadvantaged people. Company employees have helped to build five 'Habitat for Humanity' homes and they participate in walks, runs and many other types of fund-raising projects, benefiting the communities where they work and live.

“ Corporate Social Responsibility is not just financial contributions. Equally important is offering the time, energy and skills of individuals at all levels of the company to addressing community needs. Choice in how to do this, rather than regulation, is the best way to harness the entrepreneurial spirit for the community. ”

**Paul Blackney
President & CEO**



Images from the enviromental and social



Initiatives of WTTC Member companies

Appendix I:

RESEARCH ON CONSUMER ATTITUDES ABOUT CORPORATE SOCIAL RESPONSIBILITY

MORI European Survey of Consumer Attitudes on Corporate Social Responsibility (2000)

In November 2000, MORI was commissioned by CSR Europe to conduct the first in-depth survey of European consumer attitudes on CSR. CSR Europe is a business driven network whose mission is to help companies achieve profitability, sustainable growth and human progress by placing CSR in the mainstream of business practice. MORI (Market & Opinion Research International) is a leading reputation research organization based in London. One thousand people were interviewed in each of 12 European countries: Belgium, Denmark, France, Finland, Germany, the UK, Italy, the Netherlands, Portugal, Spain, Sweden, and Switzerland. While there were differences between countries, clear overall trends were evident.

Selected Key Findings:

- 70 per cent of European consumers say that a company's commitment to social responsibility is important, with 25 per cent saying that it is very important.
- 44 per cent are willing to pay more for products that are socially/environmentally responsible. Thirty-seven per cent have actually bought a product/service because of its link to a good cause, or a product that was labelled as social, ethical or environmental.
- Two-thirds believe that "responsibility for addressing social issues lies increasingly with large companies, as well as the government." Fifty-eight per cent agree that businesses do not pay enough attention to their social responsibilities.
- Consumers want companies to communicate their social activities.

Millennium Poll on Corporate Social Responsibility (1999)

The poll was sponsored by the Prince of Wales International Business Leaders Forum and the Conference Board, and conducted by Environics International in 1999. This was the "largest survey ever of global public opinion on the changing role of companies", with 25,000 people interviewed in 23 countries on six continents.

Selected Key Findings:

- In forming impressions of companies, people around the world focus on corporate social citizenship ahead of either brand reputation or financial factors.
- Two in three people want companies to go beyond their historical role of making a profit, paying taxes, employing people and obeying laws; they also want companies to contribute to broader societal goals.
- Half the population is paying attention to the social behaviour of companies, and more than one in five reported either rewarding or punishing a company in the past year based on perceived social performance (almost as many again considered doing so).
- Opinion leader analysis indicated that this pressure on companies will likely increase.

Appendix II:

WTTC AND SUSTAINABLE DEVELOPMENT

WTTC has focused significant resources over the past decade on sustainable development and has been an environmental and social champion for the industry. The Council aims to ensure that the Travel & Tourism industry is accountable for the natural resources that it uses and that it is both aware of and responsible for its social and cultural impacts on destinations.

The following two initiatives were undertaken on behalf of the whole industry:

Agenda 21 for the Travel & Tourism Industry

In 1996, WTTC, the World Tourism Organization and the Earth Council together launched *Agenda 21 for the Travel & Tourism Industry: Towards Environmentally Sustainable Development*. This was a detailed sectoral action plan for sustainable development in the Travel & Tourism industry, based on recommendations that emerged from the 1992 Rio Earth Summit. It was, and perhaps still is, the first industry-specific adaptation of the Summit's Agenda 21 on sustainability.

Tourism Industry Report

In preparation for the 2002 World Summit on Sustainable Development in Johannesburg, the United Nations Environment Programme (UNEP) facilitated the development of 22 official industry-specific reports on progress made towards sustainability since the 1992 Rio Earth Summit. The Tourism Industry Report was coordinated by WTTC, with input from three sector-specific associations: the International Federation of Tour Operators (IFTO), the International Hotel & Restaurant Association (IH&RA) and the International Council of Cruise Lines (ICCL). An open invitation was extended to a wide range of groups involved in tourism to comment on the draft, and their views were included in the final document, in a chapter called 'Open for Dialogue'.

The report presents the perspectives of the Travel & Tourism industry in meeting the challenges of the 1992 Earth Summit over the past decade and into the future. It shows that the delicate balance between sustainable development and economic growth from tourism must not only contribute to improving quality of life, but must also be synonymous with environmental, social and cultural preservation and protection in order to ensure a prosperous future for the Travel & Tourism industry.

The council also promotes sustainability through the following alliances:

- WTTC has a strategic alliance with Green Globe, the worldwide voluntary environmental management certification programme originally established by WTTC specifically for the Travel & Tourism industry.
- The Dodo Programme is an educational tool that targets a young audience on a wide range of social, cultural and environmental themes. It was developed by CyberDodo Productions Ltd and supported by WTTC, WorldWide Fund for Nature and the United Nations High Commission for Human Rights.
- Business Enterprises for Sustainable Travel (BEST) is an initiative of the Conference Board of the USA in association with WTTC and is a leading source of knowledge on innovative travel industry practices that advance the interests of communities, business and travellers.
- The Co-operative Research Centre for Sustainable Development, which links 14 universities and research centres in Australia, acts as WTTC's Sustainability Policy Centre, advising on issues relating to sustainability in Travel & Tourism.

Appendix III:

ORGANIZATIONS CONCERNED WITH CSR AND SUSTAINABLE TOURISM

NAME	WEBSITE	EMAIL ADDRESS
Big Volcano Ecotourism Resource Center	www.bigvolcano.com.au/ercentre/ercpage.htm	
Blue Flag Campaign	www.blueflag.org	Bf.int@frilutsraadet.dk
Blue Water Network		Bluewater@earthisland.org
Business Enterprises for Sustainable Travel	www.sustainabletravel.org	
Business in The Community	www.bitc.org	
Centre for Environmentally Responsible Tourism	www.c-e-r-t.org	Info@cert.org
The Conference Board	www.conference-board.org	
Ecotravel Center	www.ecotour.org	
The Ecotourism Society	www.ecotourism.org	Ecomail@ecotourism.org
Future Forests	www.futureforests.com	
GreenGlobe 21	www.greenglobe21.com	
Green Hotel Association	www.greenhotels.com	Green@greenhotels.com
GreenNet	www.gn.apc.org	Info@gn.apc.org
The International Ecotourism Society	www.ecotourism	Ecomail@ecotourism.org
International Hotels Environment Initiative	www.ihel.org	Info@iblf.org
Partners in Responsible Tourism	www.pirt.org	Info@pirt.org
Planeta.Com	www.planeta.com	Ron@planeta.com
Pro-Poor Tourism Project	www.propoortourism.org.uk	Ppt@odi.org.uk
Prince of Wales International Business Leaders Forum	www.iblf.org	
Responsible Travel	www.responsibletravel.com	Info@responsibletravel.com
Rethinking Tourism Project	www.rethinkingtourism.com	Info@rethinkingtourism.org
Tearfund	www.tearfund.org	Graham.gordon@tearfund.org
Tourism Concern	www.tourismconcern.com	Info@tourismconcern.org.uk
United Nations Environment Programme	www.uneptie.org/tourism	unep.tie@unep.fr
UNEP Tour Operators' Initiative	www.toinitiative.org	Unep.tie@unep.fr
Voluntary Service Overseas	www.vso.org.uk	Enquiry@vso.org.uk
World Business Council for Sustainable Development	www.wbcscd.org	
World Tourism Organisation	www.world-tourism.org	

