



for  
sustainable  
tourism



corporate social  
responsibility report

2008

Transat A.T. Inc. is an integrated international tour operator that offers more than 60 destination countries throughout the world, departing principally from Canada, France and the United Kingdom. The company has more than 6,000 employees, some 2.5 million customers, and sales in excess of \$3.5 billion. Transat and all of its employees ascribe great importance to the Company's social responsibility and to sustainable tourism. These concepts are inextricably linked to the future of our industry, and are at the root of the initiatives summarized in this report.



nature  
culture  
economy

WE HAVE ALWAYS NURTURED  
CLOSE TIES WITH THE COMMUNITY.  
WE ARE NOW SEEKING THE NEXT  
LEVEL IN TERMS OF RESPONSIBLE  
MANAGEMENT, STRIVING TO BECOME  
A FIRST-CLASS EMPLOYER AND A LEADER  
IN THE AREA OF SUSTAINABLE TOURISM.



**Jean-Marc Eustache**  
Chairman of the Board  
President and Chief Executive Officer  
Transat A.T. Inc.



# A CONVERSATION

WITH LINA DE CESARE



TOURISM THAT ENTAILS RESPECT FOR NATURE, AS WELL AS FOR  
HOST COMMUNITIES AND THEIR VALUES, AND COMBINES POSITIVE  
SOCIO-ECONOMIC BENEFITS FOR LOCAL POPULATIONS WITH AN  
ENRICHING EXPERIENCE FOR TRAVELLERS.

**Lina De Cesare**

Co-founder of Transat and member of the Board of Directors  
Responsible for the group's core business in her capacity as President, Tour Operators  
Chair, Transat Sustainable Tourism Executive Committee



## What is meant, exactly, by “sustainable tourism?”

Sustainable tourism is defined as tourism that entails respect for nature as well as for host communities and their values, and that combines positive socio-economic benefits for local populations with an enriching experience for travellers. It is a concept closely linked to responsible management and sustainable development.

## Transat is a Company that is mainly involved in mass tourism. Does this mean you will be moving more and more into ecotourism?

We have to be careful not to confuse sustainable tourism with ecotourism. Transat remains a “generalist” tour operator, focused on products that are sought after by the majority of consumers. The idea of sustainable tourism refers more to an evolution in our values and our working methods, aimed at maximizing the benefits of tourism and minimizing its undesirable impacts. Large tour operators like us can have a considerable impact in this area.

## How so?

We have the power to positively influence large numbers of people. If, for example, we succeed in persuading our customers to be more sensitive to certain issues, and even to modify certain behaviours, then we can have an extremely significant leveraging effect. It’s important to remember that we have close to 2.5 million customers every year. If each of them were, for example, to use a little less water and energy, or buy more local products while travelling, or return from their travel experience having learned more about the blight on society represented by the sexual exploitation of children, then we will truly have contributed to changing things for the better. In this way, we can have an influence not only on the people who travel with us, but also on our partners and suppliers—there are around 4,000 of them in 60 countries—as well as our employees and shareholders.

## Listening to you, it’s easy to see that the Company is in this for the long haul. How much time will it take you to achieve your goals?

You’re right; this is a multi-faceted, exciting initiative, but it’s also highly complex. It must be viewed as a continuous improvement program—in other words, there is no true end point. There will always be something more to do. We will always be able to go a bit further. And we mustn’t expect the results to be spectacular, either. A large part of our work will be barely visible outside our walls, and some projects will take years to implement. This isn’t about rushing into things, and it’s even less about focusing on appearances. It’s about addressing the central issues in a professional, thoroughgoing manner, and that’s exactly what we’re doing.

## A CONVERSATION WITH LINA DE CESARE



### What is the objective of these efforts?

Transat has become one of the world's largest vertically integrated international tour operators. Protecting the environment, preserving biodiversity and having respect for people, communities and their cultures are determining factors in our destiny, and so we seek to play an active role on all those fronts. We do so in our interest, that of society and that of the entire planet. But these are also issues directly linked to the future of our industry.

### Doesn't tourism growth represent a threat? Some sites, for example, suffer from hordes of visitors.

Well, if it weren't for tourism, a great many sites would have disappeared, and local communities wouldn't benefit from the industry's tremendous economic spinoffs. Yes, it's true that excessive concentrations of tourists can cause pressure. But that is precisely where responsible management comes in. The key is to properly frame development; in other words, we must perfect approaches that ensure sites are protected and abuse is prevented. We must also raise travellers' awareness of the potential impacts of their behaviour. If we can succeed in doing that, then we are truly engaging in sustainable tourism, and we will leave future generations a positive legacy to build on.

Tourism is a healthy industry that encourages and promotes discovery of other cultures, respect for nature and conservation, at the same time creating millions of jobs. At the end of the day, it is a very positive force.

### Where do you stand on the important issue of global warming?

Climate change and greenhouse gas emissions due to human activity are an issue that everyone needs to be concerned about. When it comes to tourism, the industry segment that gets all the attention is air transportation, and indeed it's easy to shine the spotlight on it. And yet, the aviation sector has been and remains environmentally responsible. Aircraft manufacturers are constantly investing in research and development, and they are not easing up on their efforts—quite the contrary. As a result, planes are increasingly fuel-efficient.

Air Transat, our carrier, has implemented one of the most stringent fuel management and greenhouse gas reduction programs in the entire industry. We embarked on this project in 2003, just as oil prices were starting to rise. As a result, today we are among the most efficient airlines in these areas. And our efforts are ongoing.



## What are some of the sustainable tourism actions being taken by Transat?

We have accomplished a great deal of work: upgrading our processes, improving our environmental performance in-house, and raising awareness among our team members. This work may not be very visible from outside, but it has required considerable energy, and there are still things to do before we reach the level of effectiveness we are aiming for. We have created a Sustainable Tourism Executive Committee, made up essentially of senior executives from all areas of the Company, to handle the overall strategy and programs. We have also set up a dozen local Environment Committees wherever we do business, from Athens to Vancouver.



## You've also acted in destination countries, to support local initiatives. Tell us about this field work.

That's correct, and we have only just begun. We can't be serious about sustainable tourism unless we are concerned about the communities that host travellers, and about what goes on at destinations. This is really fundamental. Like many other companies, Transat has always ascribed great importance to humanitarian aid, and we are stepping up efforts in this area. Indeed, in the past two years, we have been taking things much further. We now have another program, a collaboration and development initiative to support sustainable tourism projects that are proposed by non-profit organizations or communities, and that we view as economically viable. So far, we have provided financial and moral support to eight projects in four countries.

## If you had to sum up sustainable tourism in one word, what would it be?

Awareness! Great changes are possible, as long as everybody demonstrates awareness of the issues, and modifies their behaviour—even a little. It means looking at the bigger picture. Being sensible. Daring to act. This is the starting point.



nature



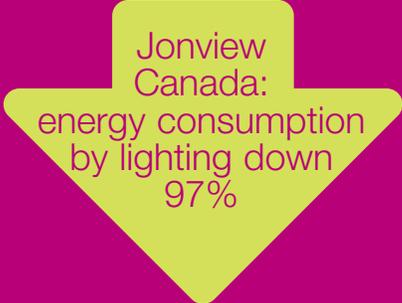
Protecting the environment and biodiversity, and its corollary—minimizing the potentially undesirable impacts of tourism, including greenhouse gas emissions—is one of the pillars of sustainable tourism. In recent years, with the enthusiastic support of all its employees, Transat has considerably stepped up efforts in this regard. A number of programs have been initiated, some of them under the auspices of a dozen task forces, located in each of the geographical sites where we have permanent facilities.

**Reduce**  
**Reuse**  
**Recycle**  
**Recover**

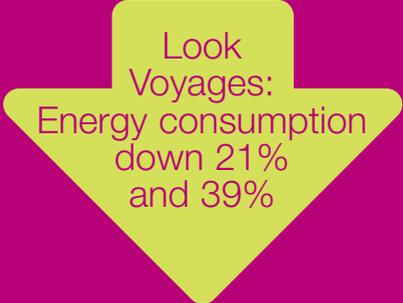
In terms of sustainability, one of our first tasks has been to work on the management of resources. Having noted that some existing recycling programs were incomplete or underperforming, we implemented new reduction, reuse and recycling initiatives, which quickly generated tangible results. At the same time, we began the complex task of drawing up a comprehensive environmental baseline, with an eye to quantifying objectives and facilitating long-term planning. To this end, we sought and obtained the collaboration of our building owners, which of course is essential to the process.



When it comes to  
**reducing consumables** and  
mitigating impacts, our efforts have mainly targeted  
energy, non-recyclable materials and paper.



Jonview  
Canada:  
energy consumption  
by lighting down  
97%



Look  
Voyages:  
Energy consumption  
down 21%  
and 39%



Ban on plastic  
bottles and  
glasses



### Montréal, Canada

A team from Transat Tours Canada takes part in a tree-planting operation on Mount Royal, a jewel of heritage and nature in the heart of the city.



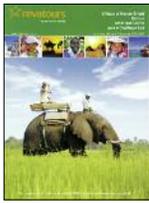
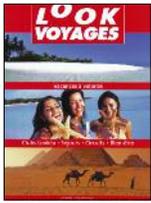
### Toronto, Canada

Each year, the staff at Jonview Canada holds a community day. Seen here are shoreline cleanup activities at the Humber College Arboretum, home to a richly diverse ecosystem of plant and animal species.

- In-house awareness campaigns have been implemented to encourage employees to turn off lights and computers, turn down heating and air conditioning, and curb use of photocopiers and fax machines.
- Programs encouraging carpooling and use of public transit have been set up or are currently being developed.
- The use of plastic bottles as well as plastic, Styrofoam and otherwise non-reusable glasses has been banned or strongly discouraged company-wide. Reusable mugs and bottles have been distributed to personnel.
- We have promoted widespread use of double-sided printing, which was once the exception and is now the norm. In Canada, more than 60% of our approximately 500 printers have been configured for double-sided use, and the rest of them will be progressively converted. Paperless meetings are strongly encouraged.
- Millions of travel documents are now created electronically and sent by e-mail. This effort, initiated two years ago, is ongoing. It allows us to save significant quantities of paper as well as reduce costs.

DOUBLE-SIDED  
PRINTING:  
**60%**  
of printers

Canadian Affair:  
paper  
-70%



In Montréal, new state-of-the-art information technology infrastructures have been implemented in a LEED (Leadership in Energy and Environmental Design)-certified building.

In France, our Club Voyages travel agencies have had success in keeping external tour operators from sending unsolicited brochures, by notifying the senders that such materials will be returned at their expense.

In the Netherlands, Air Consultants Europe (ACE) organized an awareness initiative that employees have committed to. Each employee was also given a free membership in the environmental group "Natuurmonumenten."

Among several initiatives at Jonview Canada in Toronto, employees have stopped using 117 out of 197 high-consumption overhead light fixtures called potlights and the 50-watt bulbs in the 80 other units have been replaced by energy-efficient 4-watt bulbs, resulting in a 97% overall relative reduction in consumption.

At Paris-based Look Voyages, two buildings purchased in 2007 were retrofitted in 2008 with marked concern for energy savings. The resulting gains in 2009 have been estimated at 21% and 39% respectively.

When it comes to reuse, our most salient initiative has involved electronics equipment, including obsolete computers and cellular phones. As part of a process initiated by our Information Systems department, these materials are now recovered, cleaned and, depending on their condition, given to collection and recycling groups, or to schools.

Programs for the management of recyclable materials have been implemented or upgraded in all our facilities. Generally speaking, depending on which infrastructures and systems are available locally, they enable collection of paper and cardboard, plastic, glass and aluminum. With the co-operation of employees and building owners, other environmental initiatives have been undertaken, including safe collection of batteries, ink cartridges and used fluorescent tubes, and use of biodegradable cleaning products.

Tour operator brochures remain a widespread marketing tool in the tourism industry, in spite of the role and considerable importance of Web-based marketing. All tour operators are mindful of the huge quantities of paper involved, and most are making efforts to reduce the numbers of brochures printed and to use more environmentally friendly materials. Our business units Transat Tours Canada (in Canada), Vacances Transat and Look Voyages (in France) produce such brochures annually. In 2008, print runs were further reduced, in keeping with ongoing efforts to cut costs and target needs more effectively, and all brochures were printed on paper certified by the FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification). The same is true of Air Transat's in-flight magazine Atmosphere and the duty-free products brochure distributed aboard its flights.



## Employee awareness

Several employee awareness activities have been implemented, starting in 2007, on the initiative of our local Environment Committees, which are themselves made up of employees. Heading the list are the “Green Days” organized at all of our major sites, which have given employees a better understanding of environmental issues; reuse, reduction and recycling programs that have been implemented; industrial uses for recycled products; and behaviours likely to contribute to improved environmental protection. Activities have varied depending on business unit locations, but often included information meetings with specialized companies and building managers, exhibitions in the workplace, distribution of reusable or biodegradable cups and pens, etc. In addition, the Environment Committees publish regular newsletters for all personnel and have organized a number of awareness and training activities, such as conferences. Senior management has closely collaborated on these efforts, demonstrating how important this issue is to the organization.

The founding concepts of sustainable tourism have been broadly communicated via Transat’s intranet, which is accessible by all employees. The intranet also provides regular coverage of the organization’s initiatives, along with issues affecting the entire industry, and all of these materials remain permanently available for the benefit of personnel.

# AS EARLY AS 2003, AIR TRANSAT DEVELOPED AND BEGAN APPLYING A STRINGENT FUEL MANAGEMENT PROGRAM

FLIGHT  
OPERATIONS

Aircraft  
weight  
reduction



Optimization  
of flight  
plans



Refined  
landing  
techniques



Reduced fuel  
consumption



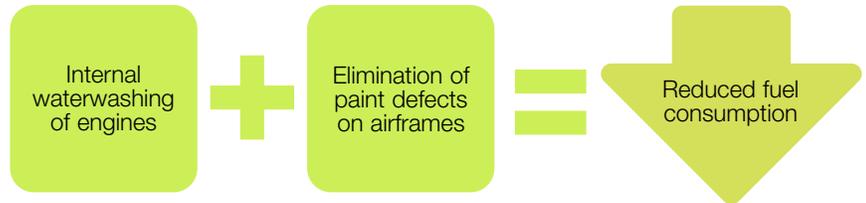


# Environmental impact of air operations

Greenhouse gas emissions (GHGs), especially CO<sub>2</sub> emissions, are a factor in climate change. The Intergovernmental Panel on Climate Change (IPCC) has estimated that aviation is responsible for approximately 2% of global CO<sub>2</sub> emissions. The World Tourism Organization (UNWTO), meanwhile, stated in its 2007 Davos Declaration that, overall, tourism may account for 5% of GHGs worldwide.

As early as 2003, Air Transat, a wholly owned subsidiary of Transat, developed and began applying a stringent fuel management program, which has enabled the carrier to substantially reduce GHGs per passenger. In 2008, Air Transat's fuel consumption was 3.26 litres (8.25 kg of CO<sub>2</sub>) per passenger/100 kilometres, versus 3.17 litres (8.02 kg of CO<sub>2</sub>) the previous year. These fuel consumption statistics compare favourably to those of the majority of air carriers. The relative increase in 2008 is attributable to the reduction in the number of seats on our aircraft, a measure taken to increase legroom to enhance passenger comfort. The fuel management measures developed by Air Transat are applied systematically and target flight operations, flight planning, ground operations, engineering and catering services; they are described on our Web Site.

# MAINTENANCE



In 2008, Air Transat made a total of approximately 14,400 flights, with corresponding CO<sub>2</sub> emissions of 1,137,629 tonnes, compared with about 13,000 flights and 1,013,970 tonnes in 2007. This increase was mainly due to the addition of one aircraft to the fleet and the increased number of flights.

We have undertaken three other major projects with Air Transat and Handlex, our air transportation subsidiaries: we are seeking LEED-EB (Leadership in Energy and Environmental Design for Existing Buildings) certification for Air Transat's head office and maintenance centre in Montréal, implementing an environmental management system with a view to obtaining ISO 14001 certification, and integrating the 4Rs (reduce, reuse, recycle, recover) principles into our supply strategy.

LEED-EB is an avant-garde sustainable development certification standard for existing buildings. Our LEED-EB project, being conducted in parallel with the development of an environmental management system, involves upgrades to our facilities that cover water efficiency, energy efficiency and emissions, materials and resources, the quality of indoor spaces and naturalization of outdoor green spaces. Teams at Air Transat and Handlex, the building's occupants, completed a feasibility study in 2008, identifying a series of projects that will pave the way for certification. Some of these projects are already under way, such as implementation of a recycling system and other initiatives that have reduced waste.

The third project, integration of the 4Rs into our supply strategy, gives priority to reduction and reuse, for example aboard our aircraft. An analysis method has been developed to facilitate decision making in our procurement chain, with the aim of eliminating disposable materials wherever possible, promoting reuse of materials and minimizing the volume of waste materials destined for incineration. Regulations covering "international" waste materials currently make recycling of waste collected after flights very difficult, so passengers are now encouraged to use only one disposable glass per flight, for example.



## Camagüey, Cuba A helping hand for disabled children

Transat supported the Quebec City-based Camaléon Foundation, which supports the Antonio Suárez Domínguez school and the Centro diagnóstico y orientación provincial in Camagüey, Cuba. Medical equipment and drugs were transported free of charge through Air Transat.

# CAP ECO-NAV

## RAISING AWARENESS OF GREEN NAVIGATION

PARTNER Association De Navigatio LOCATION France

Transat is supporting the Cap eco-nav program, an operation to raise awareness of green navigation practices. The program will be rolled out in 2009 in ports of Brittany, and will include exhibitions, conferences and meetings. Several partners and other members of the EcoNav network including the Nicolas Hulot Foundation, also support the project.

**De Navigatio**  
Une relation durable entre l'homme et la mer



# NETWORK OF GREEN LODGES

PARTNER L'Échappée bleue LOCATION Lac-Saint-Jean, Canada

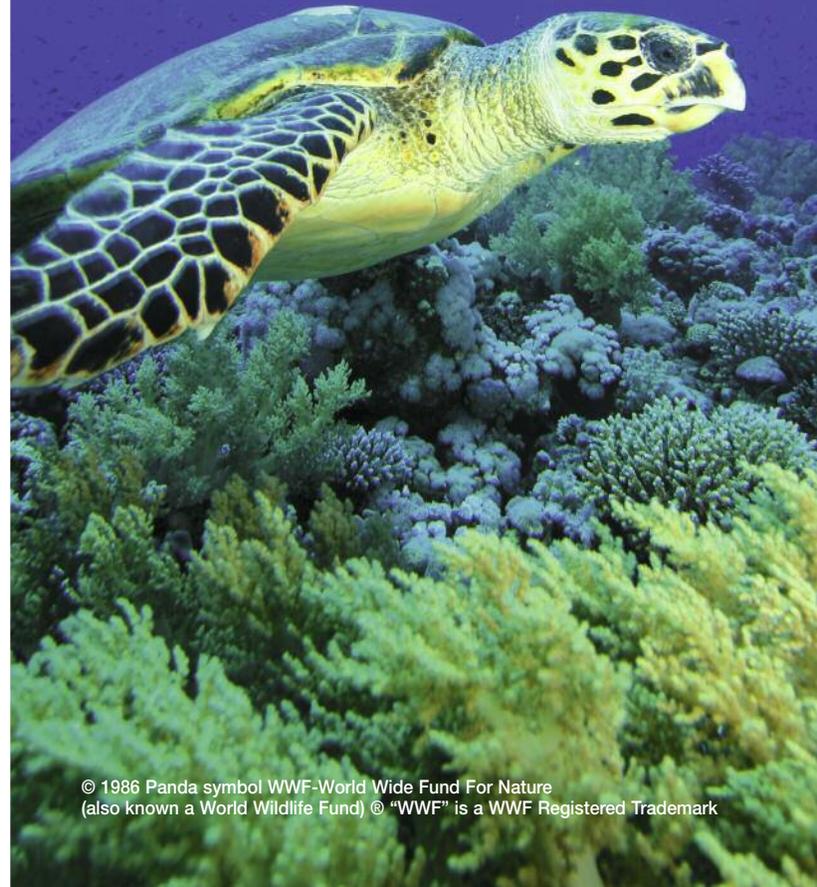
L'Échappée bleue, a sustainable tourism co-op founded in 2006, has close to 600 members. It has completed construction of the first of four lodges along the *Véloroute des Bleuets* bicycle path that will act as a showcase for alternative energy sources and local heritage. Transat announced its support for this project in 2008.



# GREENING CUBAN TOURISM

PARTNER WWF-Canada LOCATION Cuba

With support from Transat, World Wildlife Fund Canada (WWF-Canada) is working in Cuba on an environmental management program linked to tourism, in collaboration with the Cuban government and the Antonio Nuñez Jimenez Foundation of Man and Nature. "Greening Cuban Tourism" aims to establish indicators that will be used to gauge the repercussions of tourism activities and to support sustainable development.



© 1986 Panda symbol WWF-World Wide Fund For Nature (also known as World Wildlife Fund) © "WWF" is a WWF Registered Trademark



culture



Tourism is above all about people. Beyond postcard-perfect landscapes, beaches and monuments, it is an industry driven by curiosity, discovery and humanity, which in the space of 50 years has become one of the most important industries in the world. Preserving ecosystems, protecting natural and built heritage, showing interest in and respect for everyone's cultural backgrounds and traditions, demonstrating solidarity and being clear-minded about the impacts of tourism—all of these are vital ways of practising responsible, sustainable tourism.

# Heritage preservation

As part of a program to support sustainable tourism projects in destination communities, initiated in 2007, Transat has lent active support to several projects of a cultural nature. In Tunisia, for instance, we are supporting the Association pour le Développement Durable (ADD), based in Médenine, and its project “Innovation rurale en zone difficile” (“sensitive-zone rural innovation”), an integrated local development program focusing on heritage and rural tourism being implemented near Djerba. In Canada, the Seigneurie des Aulnaies interpretation centre has received funding from Transat to implement a five-year plan to protect and develop its historic buildings as well as modernize its reception structures, enhance its activities and upgrade its permanent exhibition.



This international-scale program has several objectives. First of all, of course, it aims to help conservation-focused tourism projects become a reality and generate local economic benefits. In addition, however—and this is arguably its primary goal—it seeks to encourage and promote a specific vision of tourism development, by raising awareness on the part of promoters, decision-makers, travellers and all those who have the power to influence the future direction of tourism.

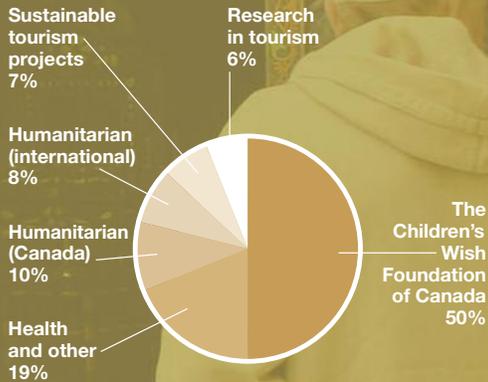


Transat, along with its customers and employees, has always been committed to communities. In 2008, we donated approximately \$1.8 million to charitable, humanitarian and non-profit organizations.

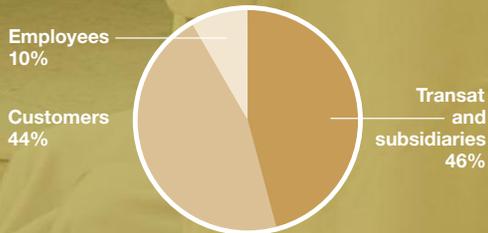
Contribution in 2008: \$1.8 million



### Fund Allocation



### Source of Funds



## Supporting communities

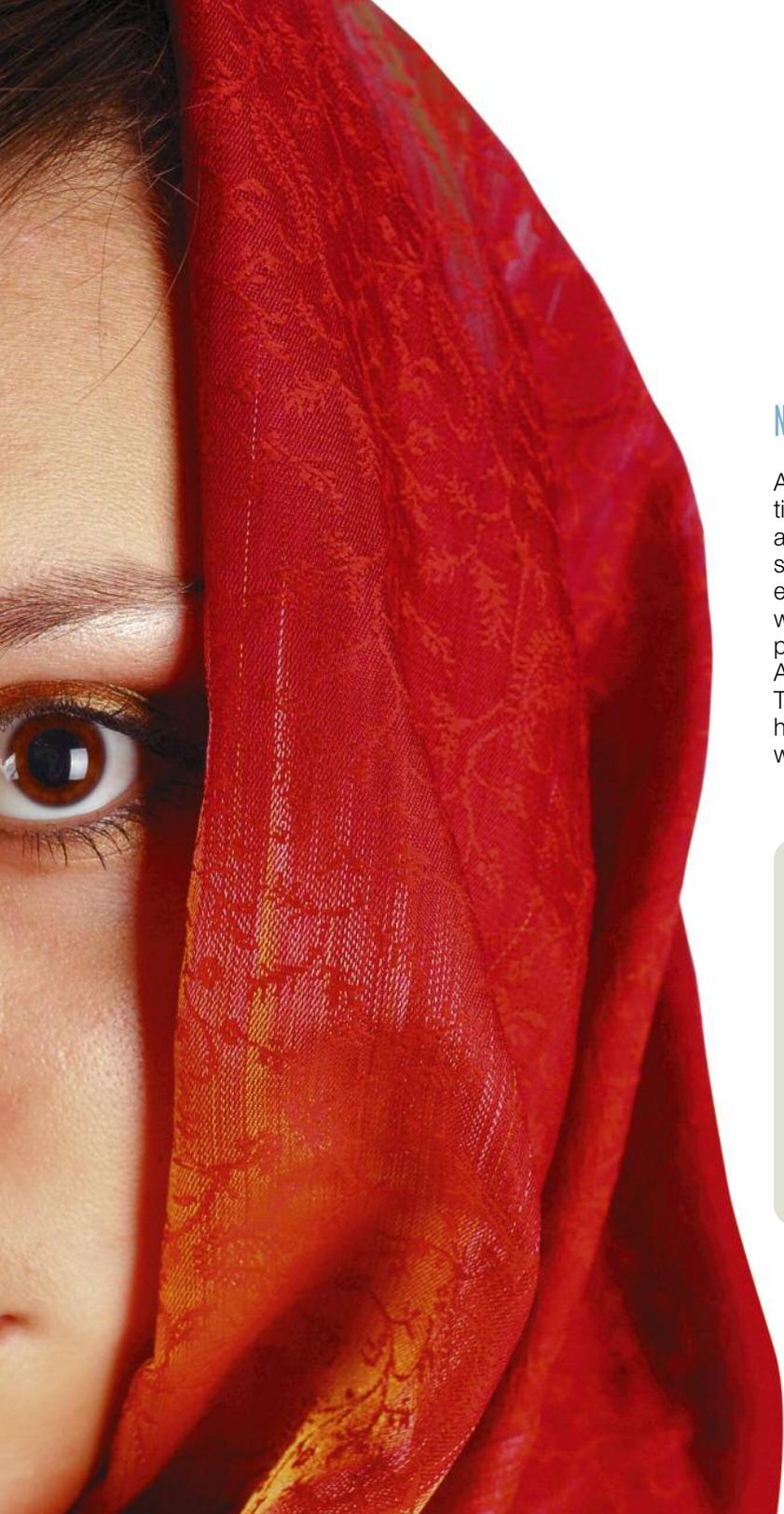
Transat and its employees have always demonstrated generosity and commitment toward the community, in both our origin and our destination countries. Assistance, which is provided pursuant to an established policy, includes financial contributions, in-kind donations, as well as volunteer commitments by our employees—who not only enthusiastically respond to calls from Transat, but also take their own initiatives on a regular basis.

In 2008, Transat, its business units, employees and customers made approximately \$1.8 million in contributions, in cash or in kind, to charitable, humanitarian and non-profit organizations. Direct contributions by our employees to causes such as Centraide of Greater Montreal, as well as to the Canadian Red Cross hurricane relief effort following the devastation caused by Gustav and Ike in Cuba and Haiti totalled more than \$180,000. Donations by the organization (the bulk of them in cash) and by customers to The Children's Wish Foundation of Canada amounted to approximately \$800,000 each. As it has done for years, Air Transat continued to offer free transportation of humanitarian goods to groups and volunteers working in the field in underdeveloped countries. We flew 2.5 tonnes of goods, destined mostly for the Caribbean, on about 20 such missions in 2008.



### The Children's Wish Foundation of Canada

In 2008, Air Transat collected nearly \$800,000 in donations from passengers for The Children's Wish Foundation of Canada, which fulfils wishes for children with life-threatening illnesses.



## No to the sexual exploitation of children

Although it acts as a tremendous socio-economic lever, international tourism has also resulted in the development of sex tourism, and a related issue of even greater concern: the commercial sexual exploitation of children. UNICEF estimates that sexual exploitation shatters the lives of some two million children worldwide, most of them girls. The problem is most acute in developing parts of the world, including countries in South and Southeast Asia, the Caribbean, Latin America, Africa and Eastern Europe. Transat is strongly opposed to this form of child exploitation and has begun awareness-raising efforts both internally and externally, which will be intensified during 2009.



### Transat Distribution Canada reaches out

In August 2008, Hands Across the Nations (HATN), founded by travel agent Donnalea Madeley and her husband Greg, celebrated the opening of the Mana Village Community Health Centre in Mali. The centre will provide much needed medical care for seven surrounding communities. With the enthusiastic support of the Transat Distribution Canada team, HATN was able to distribute mosquito nets for beds, facilitate a tetanus vaccination clinic and empower people in the fight against malaria.

# SENSITIVE-ZONE RURAL INNOVATION

**PARTNER** Association pour le Développement Durable (ADD)

**LOCATION** Médenine, Tunisia

Transat is supporting "Innovation rurale en zone difficile," a development program focusing on heritage and rural tourism in the Governorate of Médenine, near Djerba, Tunisia. ADD is supported by the Tunisian Ministry of the Environment and Sustainable Development, the Regional Council of Médenine in Tunisia, the General Council of L'Hérault in France, and several researchers and international NGOs in France, Spain and Italy.



## FIGHTING MALNUTRITION

**LOCATION** Riberalta, Bolivia

In 2008, Transat supported the Comité International de Projet Outre-mer (CIPO) of École Polytechnique de Montréal, which built a nutrition unit at Materno Infantil Reidun Roine hospital in the municipality of Riberalta, Bolivia. The project, conducted in partnership with Oxfam-Québec and Club 2/3 will help eradicate poverty and malnutrition.



## VACANCES TRANSAT FUNDS CONSTRUCTION OF A SCHOOL

**LOCATION** Ho Chi Minh City, Vietnam

The new Tinh Thuong school in Ho Chi Minh City now serves 200 students who, were it not for this project, would probably be left to fend for themselves. The new school saw the light of day thanks to the efforts of the Enfants du Mékong association—which works to protect, ensure education for and promote the health and wellness of children in Southeast Asia—as well as Vacances Transat, which provided financing.



**Vancouver, Canada**  
**Annual shoreline cleanup**

Employees of Transat Tours Canada in Vancouver enthusiastically participated in a shoreline cleanup.



**Montréal, Canada**  
**Lending a hand to Moisson Montréal**

About 40 Jonview Canada employees pitched in to help Moisson Montréal, Canada's largest food bank, during Jonview Canada's Community Day.

## Raising traveller awareness

In 2008, Transat began initiatives to raise travellers' awareness of sustainable tourism issues, via its Web site, in its commercial brochures and in Air Transat's in-flight magazine. To date, the main objective has been to foster understanding of the founding concepts of sustainable tourism, including the three pillars of environmental stewardship, heritage conservation and respect for cultures, and of responsible development of the economic potential of tourism. In providing advice to travellers, Transat seeks to influence the behaviours of its approximately 2.5 million customers.


**for sustainable tourism**

### Responsible tourist, sustainable tourism

In a village, you had several small shops that you visited. You enjoyed your hosts. There are some tips to help make your holiday a little more sustainable... and enjoyable.

**Be curious.**  
Learn about the local culture, heritage and customs of your destination with the people you meet. Be open to new experiences and try to understand the local way of life. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Be open minded.**  
By trying to understand the point of view of the local people, you will be able to appreciate and respect their way of life. Be open to new experiences and try to understand the local way of life. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Respect your hosts.**  
A public place is a shared space. Please don't drink or smoke in public buildings and other public places. Please don't drink or smoke in public buildings and other public places. Please don't drink or smoke in public buildings and other public places.

**Be prepared.**  
If you are going to a village, you should be prepared. Bring your own water, food and other necessities. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Be discreet.**  
Do not drink or smoke in public buildings and other public places. Please don't drink or smoke in public buildings and other public places. Please don't drink or smoke in public buildings and other public places.

**Be aware.**  
Be aware of the local customs and traditions. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Safeguard the environment.**  
Be a responsible tourist and respect the local customs and traditions. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Support the local economy.**  
Buy local products and services. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.

**Protect resources.**  
Be a responsible tourist and respect the local customs and traditions. Be respectful and ask for permission before taking photos. Be a responsible tourist and respect the local customs and traditions.



# CHILDREN'S CARE INTERNATIONAL

LOCATION Andhra Pradesh, India

Children's Care International (CCI) opens rehabilitation centres for children who are victims of slavery or sexual exploitation. The organization provides health and nutrition care, psychological support and education. One of its projects, supported by Transat, aims to protect children from child labour and debt bondage in villages in the state of Andhra Pradesh, India.

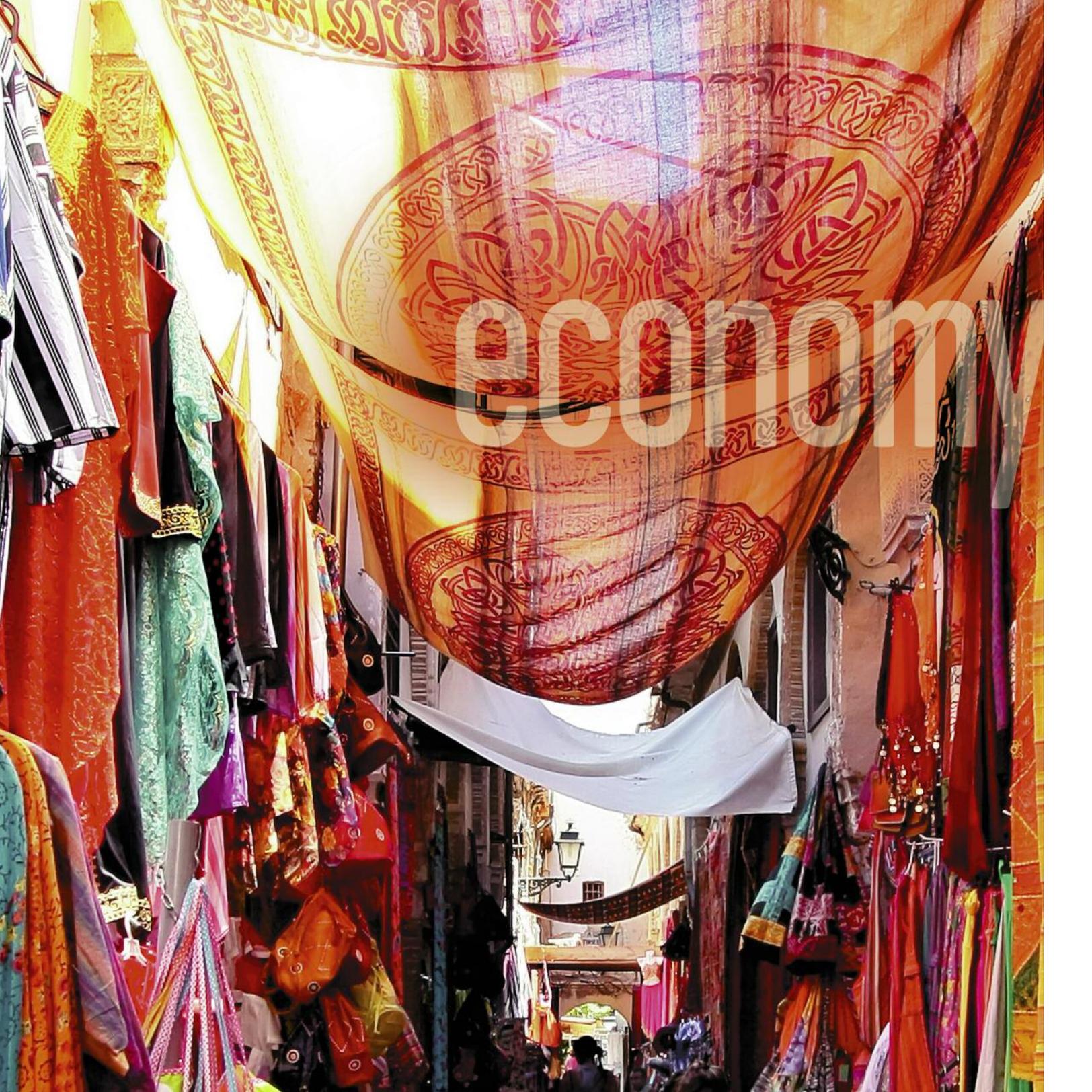


# TRANSAT PARTNERS WITH CHILD SOLDIERS INITIATIVE

LOCATION Democratic Republic of the Congo

An estimated 250,000 children worldwide are forced to work as soldiers, army couriers, spies and even suicide commandos and sex slaves. "The Child Soldiers Initiative", to which Transat committed funding in 2008, is committed to fighting this scourge. The project is supported by UNICEF and the Pearson Peacekeeping Centre.







Tourism represents economic activity worth some \$6 trillion and is a source of prosperity for several countries. Around the world, more than 200 million people work in jobs directly or indirectly related to tourism. While some great cities and long-established historical sites are the main beacons of international tourism, many regions and smaller cities also attract travellers because they have managed to preserve their authenticity and landscapes. Engaging in sustainable tourism means reconciling development and resource preservation. It means striving to ensure that everyone can reap the benefits of tourism, while maximizing conservation efforts and acts of solidarity.

## Tourism: A remarkable driver of growth

Tourism, especially international tourism, is a growing industry and a major driver of economic development. It accounts for more than 10% of world gross domestic product (GDP), over 12% of exports and in excess of 8% of jobs. Unlike other major industries, the benefits of which are concentrated where the resources and infrastructures are, tourism happens everywhere, on both small and large scales, and any country is in a position to participate in the tourism economy, if it so wishes. Tourism is therefore a formidable instrument for poverty reduction.

Moreover, it brings peoples together and stimulates exchanges, in turn helping to ease potential tensions.

Over the next 10 years, growth in international tourism may be of the order of 4% annually, and the World Tourism Organization estimates that the number of international travellers will increase to 1.6 billion in 2020 from some 900 million in 2007. This growth explains why environmental protection, site conservation and management of the social concerns related to tourism emerge

as major issues, central to any discussions about the future of tourism. This is the context in which the concept of sustainable tourism must be understood.

### Transat A.T. Inc.

(in millions of \$CAN, for fiscal years ended October 31)

	2008	2007
Revenues	<b>3,512.9</b>	3,045.9
Direct costs	<b>1,933.7</b>	1,601.7
Travel services purchased from third parties		
Salaries and employee benefits	<b>349.7</b>	334.9
Total operating expenses	<b>3,385.5</b>	2,907.8
Net income (net loss)	<b>(50.0)</b>	78.5
Dividends	<b>11.9</b>	11.5
Income taxes paid	<b>11.9</b>	43.4
Number of active employees as at October 31	<b>6,466</b>	6,090

In 2008, Transat served some 2.5 million people and, in doing so, purchased travel services in the amount of approximately \$2 billion from about 4,000 suppliers in more than 60 countries around the world. In all these markets, of course, Transat's contribution is added to money spent by travellers and indirect benefits generated locally by Transat's suppliers and partners.

### Transat: A motivated, committed team

Tourism is above all about people. We know that it is our employees who make the difference, and will continue to do so in the future. For any tour operator whose mission is to make sure its customers enjoy memorable holidays, personnel are on the front lines—especially in an industry as complex as ours, in which every link in a vast supply chain, stretching across several countries, contributes to delivering an intangible service, in a context in which emotions come to the fore.

As at October 31, 2008, Transat had 6,466 employees, with salaries and benefits amounting to \$350 million. In addition to destination representatives and employees on the ground in several different countries, our personnel work in Canada (5,288), France (789), the United Kingdom (67), Greece (35), the Netherlands (22) and the United States (12), as well as in two subsidiaries in Mexico and the Dominican Republic. Offering smiles and professional attitudes, all members of our team share responsibility for our success and our ability to advance the cause of sustainable tourism.





## GREEN ACCREDITATION PROJECT

PARTNER Frontenac Arch Biosphere Reserve Network  
LOCATION Ontario, Canada

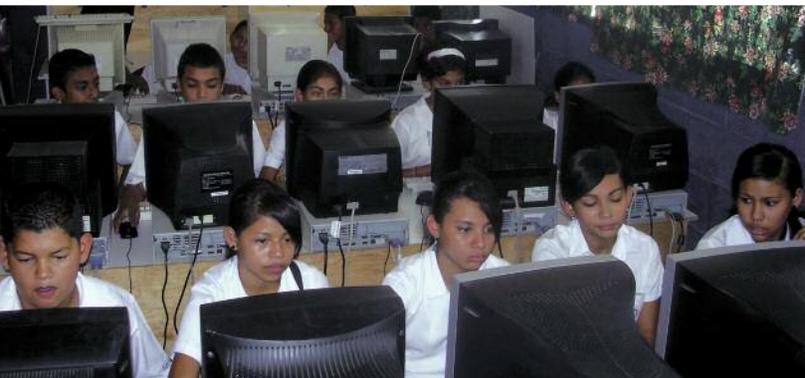
With support from Transat, the Frontenac Arch Biosphere Reserve Network has implemented an ambitious green accreditation project targeting tourism industry stakeholders in its territory. Some 50 partners and about 20 agencies and organizations are pooling their efforts to reconcile economic development and natural heritage conservation.



## HISTORICAL HERITAGE DEVELOPMENT

PARTNER La Seigneurie des Aulnoies LOCATION Saint-Roch-des-Aulnoies, Canada

Considered to be the most complete interpretation centre of the seigneurial system in Canada, the Seigneurie des Aulnoies has received Transat funding to implement a five-year plan to protect and develop its historic buildings. The Seigneurie is the main historic site and a major employer in its region.



## NEARLY 1,000 COMPUTERS FIND THEIR WAY TO CLASSROOMS INSTEAD OF TRASH HEAPS

LOCATION San Salvador, El Salvador

Transat donated 220 computers to schools in El Salvador via a humanitarian initiative called Computers for All. In Canada, about 400 computers were given to the Quebec branch of the Computers for Schools organization. We have also sent more than 350 computers to the Dominican Republic, Haiti and Cuba. Every year, more than 50 million tonnes of electronic waste are produced around the world.

## TRANSAT SUPPORTS COLEGIO LA ISABELA, A PRIMARY SCHOOL IN THE DOMINICAN REPUBLIC

LOCATION Puerto Plata, Dominican Republic

In March 2008, an Air Transat plane took off for the Dominican Republic, carrying schoolbooks, computers, medical supplies and theatre costumes; the goods were collected by a group of Canadians wishing to lend their support to the children of Colegio La Isabela. Some 2.5 tonnes of materials were transported as part of similar projects in 2008.



By supporting research and education, and by encouraging sustainable tourism projects at destination, Transat fosters the development of the tourism industry, helps communities benefit from it, and contributes to protecting biodiversity.





## Advancement of knowledge and expertise in tourism

Transat has formed partnerships with two major institutions: Université du Québec à Montréal (UQAM), which has established the Transat Chair in Tourism, and the Institut de tourisme et d'hôtellerie du Québec (ITHQ). Both are committed to the advancement of tourism industry knowledge and skills as well as recognition for our sector.

The mission of the UQAM Transat Chair in Tourism is to foster the growth and prestige of the Quebec tourism industry by supporting research, education and the dissemination of information. The ITHQ, for its part, has been training high-quality, highly professional future employees of the tourism industry for several years.

## Our program to support projects at destinations

As part of a financial assistance program that it has developed, Transat supports projects that aim to preserve or present cultural heritage, protect natural sites with tourism potential, help communities reap the economic benefits of tourism, or reduce the environmental impacts of tourism. These projects, assessed on a merit basis, are submitted by non-profit organizations or communities with a commitment to sustainable tourism. The program has enabled the start-up or continuation of promising projects, large and small, and has also had a significant incremental effect. It fosters greater understanding of the various dimensions of sustainable tourism and awareness of its importance, provides encouragement to communities and volunteer groups, and paves the way for healthy emulation in the field. To date, Transat has supported eight projects inspired by a similar vision: to develop tourism, create jobs and generate economic benefits through initiatives based on conservation and community buy-in. Together these projects represent commitments in excess of \$300,000.



### UQAM Transat Chair in Tourism, Montréal

The mission of the Transat Chair in Tourism at Université du Québec à Montréal is to foster the growth and recognition of the tourism industry.



### Institut de tourisme et d'hôtellerie du Québec (ITHQ), Montréal

Transat supports the ITHQ, Canada's largest teaching institution specializing in the tourism, hotel and restaurant services industry.

Transat's Hotel Inspection Program focuses on 163 safety criteria. In 2008, some 285 visits were made to 169 hotels at about 30 destinations.



OCEAN TURQUESA  
RIVIERA MAYA, MEXICO



# Safety and sustainable tourism at destination

The role of a tour operator is to purchase and package various travel services (e.g., accommodations, transportation, excursions, etc.), generally provided by third parties. Our sustainable tourism performance therefore depends in part on that of our suppliers; hence our concern for choosing responsible partners and instituting a collaborative culture grounded in a common vision of sustainable tourism. We can influence working methods and can also draw inspiration from avant-garde practices already put in place by some of our partners, in turn helping disseminate them to as many others as possible.

We have created an international working group that is tasked with laying the foundations for a sustainable supply-chain policy for travel services, along with an awareness and continuous improvement program aimed at suppliers. The program will be rolled out in stages, beginning with efforts focused on the hotel industry: in the summer of 2008, we initiated a pilot project aimed at documenting current practices with respect to environmental stewardship, local purchasing, labour relations and community relations. This initiative will allow us to establish measurable objectives based on a statistical portrait of the situation, and pave the way for development of an action plan built on awareness-raising and dialogue. In the future, the program will be extended to all our hotel suppliers, and then to suppliers in other service categories.

This program complements another, which has existed for several years at Transat, focusing on customer safety. Our Company has a thorough hotel inspection program whereby several specially trained inspectors visit some 200 hotels annually, conducting audits of 163 safety parameters, among them fire prevention, swimming pool management, kitchen cleanliness, and so on. Non-compliance results in immediate measures being taken, which can go as far as suspension of sales.



Transat  
above all,  
a team





At Transat, we believe that our people grow along with our organization and represent the very foundations of our industry. As such, we consider it our responsibility to help our team members develop their talents, to raise awareness of our industry among coming generations, and to work hand-in-hand with the community and partners ready to assist us in the pursuit of this mission. Because our personnel are the very backbone of our organization, we strive to recognize their contribution and cultivate, with their help, a pleasant and stimulating work atmosphere as well as a healthy, safe working environment. We also believe that our employees can contribute to the well-being of our host communities, and are working together with them in this direction.

## Developing talent and skills at Transat

At Transat, we believe that our people grow along with our organization and represent the very foundations of our industry. As such, we consider it our responsibility to help our team members develop their talents, to raise awareness of our industry among coming generations, and to work hand-in-hand with the community and partners ready to assist us in the pursuit of this mission.

Our current talent-development philosophy follows from a broad-based consensus, developed via consultation with more than 70 executives at different levels and in different countries. Indeed, this responsibility, so vital to the development of our organization, depends above all on our managers. Training in

employee coaching has been provided to nearly all of them (more than 500) at all levels. Today, our entire senior management team identifies with the approach we have adopted, since it was shared with them during the most recent Leaders' Forum, an annual gathering of some 150 senior executives, and later communicated to all employees.

A structured approach to evaluating employee potential has been implemented with input from an international network of experts in organizational psychology. Close to 50 employees have undergone assessments aimed at establishing personalized career development plans for them. A virtual platform allows employees and their immediate supervisors to measure progress as well as benefits.



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In addition, a reference guide of 12 management competencies has been developed to provide a roadmap for the organization's training activities. These competencies were rigorously selected based on the organization's strategic objectives. A competencies curriculum for managers has also been developed; it is modular, allowing executives with different experience levels to take training that corresponds to their needs.

To make it easier for interested employees to pursue and have access to university studies, we have developed a certificate program in organizational management in partnership with Université de Sherbrooke, Ryerson University in Toronto and Simon Fraser University in Vancouver. This initiative, first implemented at Air Transat, was widened and made available to all Canadian employees in 2008. Two new groups of participants were created in Montréal and Vancouver this year, bringing our total so far to 70 students.

Exemplifying our training philosophy, three new groups of flight attendants—a total of 200 new employees—have joined the ranks of Transat. The talent and efforts invested by each new employee in meeting the requirements of their positions were recognized at an official ceremony to which members of senior management, as well as the employees' families, were invited. As well, we have implemented a comprehensive employee integration structure, providing orientation and supervision to newcomers in the performance of their duties and their integration into the organization. It consists of 40 activities, with three evaluations at different intervals, allowing managers to track the progress of each new employee and better support them in their development.

We also regularly hire students in all work categories on a trainee basis to support their career advancement and raise awareness of our industry. Approximately 50 trainees were hired as part of our work-study program this past year.

Lastly, again with an eye to stimulating young prospective employees and fostering awareness of our industry, some of our business units organize tours of our facilities, as well as get-togethers with managers who have demonstrated a high degree of determination in their career development, for both primary and secondary school students. In Quebec alone, we welcomed more than 600 students to such events in 2008.

## Personnel development from a perspective of continuity

- A responsibility shared between manager and employee
- Ongoing, regular discussions between manager and employee
- An open, transparent process
- Emphasis on internal promotions and mobility across business units
- Approach based on work experience accompanied by effective coaching

Mundo, Transat's intranet, allows all employees to access a wealth of information.



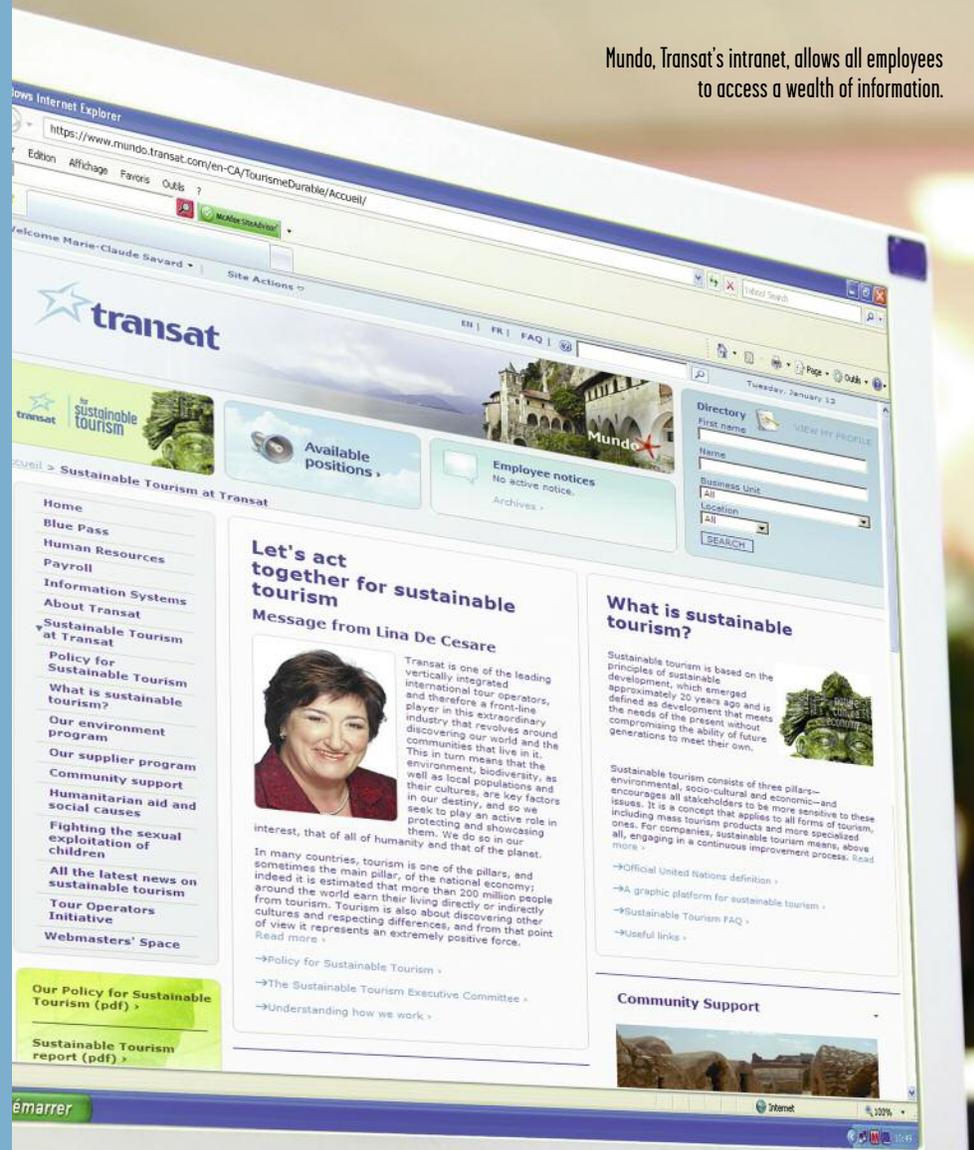
### Transat Academy

Partnerships with Université de Sherbrooke, Ryerson University in Toronto and Simon Fraser University in Vancouver allow Canadian employees to enrol in a university certificate program in organization management.



### New group of flight attendants

More than 200 new flight attendants joined the ranks of Air Transat in 2008. They received customized training, and an integration structure consisting of 40 activities was implemented.



émarrer





## Recognition, work atmosphere and workplace health

Because our personnel are the very backbone of our organization, we strive to recognize their contribution and cultivate, with their help, a pleasant and stimulating work atmosphere as well as a healthy, safe working environment.

New programs have been introduced to reward our employees' efforts and successes. The Vega program, for example, allows anyone in the Transat family to nominate a deserving colleague, be they an immediate co-worker or someone in another business unit. If the nomination is approved, the outstanding employee receives a "Vega" Award—named for the blue star that is the brightest in the constellation Lyra—along with a gift.

Significant internal communications efforts are made, using multiple channels. We encourage our managers to meet with their personnel regularly to get feedback and share information, and we provide them with support to facilitate this task. These meetings, regardless of their scale, are echoed via our intranet, called "Mundo," which has been completely redesigned as of January 2009. The intranet is an ideal tool for maintaining communication between management and employees. It is accessible anytime, from anywhere in the world, and enables direct communication between employees and management. Moreover, following its redesign, Mundo has become an open system in which each of our business units has its own clearly defined public space, while also giving every employee the opportunity to visit each business unit. Besides making communication easier, this approach nurtures an atmosphere of greater proximity and enhances team spirit, both of which are beneficial to the Company as well as employees.

Among other initiatives related to recognition and work atmosphere, Air Transat has instituted a program to help employees gain a better understanding of their colleagues' tasks, by accompanying each other through the course of a typical workday. In 2008, more than 60 employees took part in the program, which promotes greater empathy within the organization.

Transat maintains excellent labour relations with all personnel. This is particularly evident in the relationships between management and all of its union partners at Air Transat and Handlex. Over the past two years, Air Transat has completed negotiations for all of its collective agreements, and in each case bargaining has proceeded without conflict. Most of them are long-term agreements; i.e., for five years. The quality of our day-to-day relations with our partners contributes in large measure to this smooth labour relations climate.

Lastly, in keeping with our longstanding commitment to the safety of our employees, we recently introduced a number of initiatives aimed at raising awareness, among managers and employees alike, of the importance of good health. These have included themed conferences on fitness, nutrition and stress management. A health-oriented Web portal is also available to some of our employees; it includes a risk analysis questionnaire, a series of tips for maintaining a healthy lifestyle, and a variety of other information on healthy living habits.

# TRANSAT'S POLICY FOR SUSTAINABLE TOURISM

This policy, which may be consulted in full on our Web site, was adopted by the Transat Board of Directors on June 11, 2008.

## Respect for the law

Transat will comply with the laws and regulations of the countries in which it operates—even exceeding requirements when possible—in all matters but especially as regards human rights, the environment and the health and safety of our employees, our customers and all others. The Company encourages its partners to follow suit.

## Human rights

We support the Universal Declaration of Human Rights and United Nations conventions on child labour. We are opposed to forced labour and the sexual exploitation of children. We advocate safe, humane, equitable and motivating working conditions, and we are an equal-opportunity employer.

## Protecting the environment

We are aware of current environmental issues and are taking measures to evaluate and reduce the impact our activities may have on the environment; we will also make our employees, customers and partners more aware of these issues and encourage them to do the same.

## Protecting cultural diversity and heritage

We believe it is important to protect and promote cultural diversity and heritage, which includes, for example, typical or historical buildings, works of art, archeological sites, ruins, all significant or historical places and landscapes, natural sites and notable ecosystems.

## Host communities

We endeavour to ensure that the communities that host travellers benefit economically and socially. We understand that tourism can put pressure on host communities and we want to make sure our organization, our partners and, if necessary, the communities themselves and their authorities, remain sensitive to this challenge and take specific measures to offset such stresses.

## Delivering quality

We endeavour to develop a safe, quality product for our customers by assuming our responsibilities, demonstrating professionalism and adopting recognized best practices in our industry, while ensuring our suppliers do the same.

## Transparency

We will communicate honestly and regularly about our efforts to promote sustainable tourism, especially regarding the status of our objectives, actions and results.

## The Transat Sustainable Tourism Executive Committee

**Lina De Cesare**, President, Tour Operators  
**Patrice Caradec**, General Manager, Vacances Transat (France)  
**Corinne Charette**, Vice-President and Chief Information Officer  
**Patricia Chastel**, General Manager, Club Voyages  
**Nelson Gentiletti**, President, Transat Tours Canada  
**Cédric Gobilliard**, General Manager, Look Voyages  
**Allen B. Graham**, President and Chief Executive Officer, Air Transat  
**Annick Guérard**, General Manager, Jonview Canada  
**Michel Lemay**, Vice-President, Communications and Corporate Affairs  
**Jean-Luc Paiement**, President and General Manager, Handlex  
**Jean-Luk Pellerin**, Corporate Vice-President, Human Resources  
**Philippe Sureau**, President, Distribution  
**Odette Trottier**, Director, Public Affairs  
**Jean-Marc Batta**, Special Advisor, Sustainable Tourism

Transat A.T. Inc. is a public company listed on the Toronto Stock Exchange (TRZ.A, TRZ.B). It publishes an annual report, which includes detailed information on the company's financial position, strategic plan, risk identification and management, and corporate governance. For more information about Transat, to view the Annual Report, or to access this report on the Web, visit [www.transat.com](http://www.transat.com).

If you have any questions about Transat and sustainable tourism, or to obtain a copy of the 2008 Annual Report, contact:

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Montréal, Quebec, Canada  
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514-987-1660

This report, available online, had a very small print run.  
Ce rapport est disponible en français.



### TOUR OPERATORS INITIATIVE FOR SUSTAINABLE TOURISM DEVELOPMENT

Transat A.T. Inc. is a member of the Tour Operators Initiative for Sustainable Tourism Development (TOI). This association of tour operators and travel companies aims to promote sustainable development and responsible management in the tourism industry, and to encourage tour operators to make firm commitments in this vein. TOI is actively supported by the World Tourism Organization (UNWTO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Environment Program (UNEP). It also has the support of the World Wildlife Fund (WWF) and the Centre for Environmental Leadership in Business.

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