

**RESPONSIBLE TRAVEL AND TOURISM
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Transat: Seeking Sustainability in Mass Tourism

**NOTES FOR A SPEECH BY LINA DE CESARE
TRANSAT A.T. INC.
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Good day, ladies and gentlemen,

I would like to congratulate Baxter Media for making this event possible, and thank them for this opportunity to speak to you about something I care very much about.

I am convinced that making our industry more sustainable is important. It's the right thing to do for the planet, and for future generations. It's also important, quite plainly, because our business is at stake. And because Canada's potential as a destination would benefit very much from it.

We need a vision that does not stop with the next travel season, but embraces the long-term. Unfortunately, the North American tourism industry has been late in the game of sustainability. But this gives Canada the opportunity to become a leader on this side of the Atlantic.

Never in history has it been more obvious that we are all living on *one, indivisible planet*, where the beating of a butterfly's wings on one side of the world can cause a hurricane to blow on the other. We are part of a globalized, highly integrated system. There is no such thing as "somebody else's problems." Our customers, industry watchers, elected officials and decision-makers (at least some of them), have started to realize that. The pace of change will accelerate, and as an industry, we better be moving.

Sustainability at destination

Tourism is one of the biggest industries in the world. It represents millions of jobs, and it is a major source of exports for a great many countries. For some of them, it is even a vital economic driver.

The growth of tourism is ensured by demographics, the elevation of living standards, and a virtual absence of entry barriers. When I look ahead, I can see that tourism holds the potential to build a better future for all. So, the idea of sustainable tourism is to contain and counter the problems that tourism can provoke... while maximizing its benefits. It is indeed based on three pillars:

- Growth and development — We have *a duty to grow our business*, to the extent we are fairly contributing to the social and economic emancipation of all.
- The environment — We have a responsibility to minimize the consequences of our actions. And to actively participate in the protection of biodiversity and natural heritage.
- Communities — We have an obligation to integrate respect for people, their cultures and their heritage in the way we do things... both at destination and at home.

In the early '80s, the number of international tourists was about 300 million. Today, we are at about a billion. And the forecast is for 1.6 billion in 10 years. 1.6 billion international travellers... and billions more, of course, when you consider domestic travel. So, this should not come as surprise. Yes, tourism *can have* impacts that are not desirable. Especially when you think that a significant proportion of travellers have a tendency to concentrate in so-called hot spots. Impacts on landscapes and ecosystems, in coastal zones for instance, come to mind. But there are also other forms of pressures on communities... including economic leakage — that is the notion that economic activity at destination is sometimes not maximized.

Some countries and communities are more exposed than others. Sometimes because the number of travellers has become critical, or because people have not grasped the many benefits of protecting sites, natural surroundings or communities. It's a fact that the first line of defense is *modern destination management*. Every destination around the world must understand that its future depends on the decisions it makes *today* with respect to the management of tourism development. The winning destinations of the future will be those that successfully:

- Protect their authenticity, heritage, and natural sites.
- Convince local populations to accept tourists' presence and take measures to facilitate and optimize local economic impact.
- Cooperate with the travel industry.

The way this will evolve will depend on multiple stakeholders. The various levels of government, regulation agencies, developers, local populations, tour operators, hotel chains, tourists, NGOs... make up the many variables in this complex equation. Not all these players have the same interests. They don't always share the same vision, and unless governments take the lead, no one is really in charge.

Letting natural inertia take its course is no option. Because, after a number of years, it would lead to destinations that have been stripped of their attractiveness. In this context, the tourism industry's contribution and leadership is of paramount importance.

Transat, as most of you know, is now one of the largest vertically integrated tour operators in the world, with sales in the range of \$3.6 billion, 2.5 million customers, and 6,500 employees in 8 different countries. *We are a mass tourism company*. That's our mission, and when we awoke to the issue of sustainability, it brought a number of questions. Like, where to start, and what should we do exactly?

Today, a couple of years down the road, the amount of work ahead of us remains monumental. But we are much clearer about its nature, we have a roadmap, we have a good sense of the challenges, and we have made good progress. Allow me to briefly outline a few areas for action where tourism companies like us can make a difference, and share a few lessons that we have learned.

Influencing industry players, employees and travellers

First, the main point about tour operators, is that they have a *significant power to influence*. They have the power to influence their suppliers and incite them to adopt better practices. They can also influence their employees and millions of travellers by promoting certain types of behaviour. Tour operators can create what I would call the *responsibility chain*. They need to act more responsibly, *and then can encourage their suppliers and partners to do the same*.

At Transat, we have started to follow the lead of other major international tour operators, who have been taking steps in this direction for several years. We have started with hotels. Our actions involve getting more familiar and recognizing the work of chains that make efforts, and inciting others to take similar actions. Over the last few years, we have:

- Become more familiar with the best practices in resort management, in relation with the three pillars.
- We have also developed the embryo of a database and benchmarking system, based on a list of 55 best practices that we would like to see implemented in hotels.

This paves the way for a much more sophisticated dialogue with our partners, which will be conducive to increased awareness and improved performance. The more sustainable hotels are happy, because their efforts are recognized... and for the others, this is an invitation to get on board. Eventually, some day, we can look at imposing “sustainability” contractual constraints, but the preferred route is joint action and encouragement.

At any rate, our brief experience shows that the ground is extremely fertile. The majority of our suppliers already show a good level of awareness, not only of green issues, but also social ones, such as labour conditions, local purchasing, and so on.

Travellers are also part of the responsibility chain. And travel companies like us can, at the very least, provide information to encourage certain behaviours and discourage others. At Transat, we use our websites, brochures and in-flight magazine to explain what sustainable tourism is, and give people tips that can help them travel in a more sustainable fashion. We also explain to our customers *what we are doing* as a company, thus combining education and marketing.

The same applies to our employees... After all, no change will occur without their involvement. So we have been investing in communication and training, and such efforts will need to intensify in a major way.

In fact, let me humbly say that we have barely scratched the surface. In the future, we will need to work much harder on all fronts. But we have learned a few, useful lessons:

- One, this requires expertise and work. *There is a learning curve. It takes resources. It's not free.* As in everything, this is not the country of wishful thinking... and we do not want to fall into the trap of greenwashing.
- Two, this implies new processes, and a shift in culture and corporate values. This is a challenge, because it means *transforming the company*. And *there's no reverse, there's no turning back*.
- And three, as a consequence, if you want this to work, you need to be determined, and patient. Nothing spectacular will happen overnight, and you need to keep your eyes on the ball. As I said earlier, it's a matter of vision, not of the next quarter. And what's very promising, at Transat, is to see the enthusiasm of the younger generation.

Co-operation at destination

As a tour operator with more than 60 destination countries, we also decided that we wanted to do something that would bring immediate results on the ground, at destination.

We launched an innovative program to support sustainable tourism initiatives put forward by non-profits or communities, in any country we go. This program is now in its third year, and it

has made a huge difference in the field. Actually, several of the projects we have supported so far were struggling, or would not have seen the light of day without us.

To date, we have supported 12 projects in 8 countries... four of them to be announced in a couple of weeks. Our upcoming announcement will bring our total financial commitments since the beginning to nearly half a million dollars. Let me briefly highlight four of them.

We partner with the World Wildlife Fund and a local NGO in the implementation of a sustainable tourism management system in Cuba, a destination in which we are the leading tour operator. The program, dubbed *Greening Cuban Tourism*, aims at establishing indicators that will be used to gauge the repercussions of tourism activities, and to support development that takes into account the potential of given regions.

Transat is also a partner of Ontario Nature, in support of its *Discover Ontario's Natural Heritage* project to protect and restore 21 nature reserves across the province. The project combines the conservation of wildlife and natural habitats with the promotion of sustainable tourism. It includes the creation of trails, maps, and interpretation panels that facilitates public access to Ontario Nature's reserves.

We are also in Tunisia, a big destination for Transat from France. Our partner, the *Association pour le développement durable*, has initiated an integrated, development program based on heritage and rural tourism. It involves construction of traditional lodges, creation of hiking trails highlighting architectural and cultural heritage, and restoration of a heritage site.

We have also helped the Frontenac Arch Biosphere Reserve Network, in Ontario, laying the groundwork for an ambitious certification program covering its entire territory, with the ultimate objective of turning it into a nationwide model for sustainable tourism practices.

Aside from the satisfaction of bringing valuable projects to life, this program is having other advantages. It made us much more aware of local issues and brought us closer to destination communities. In other words, as a tour operator, we are now more engaged, and even more challenged. It helped us build the case, internally and externally, for sustainability in tourism, with actual, down to earth examples of what needs to be done, and of what can be done.

Transat is also the only North American member of the Tour Operators' Initiative for the sustainable development of tourism — or TOI — an international gathering of travel companies which, in association with WWF and local NGOs, tries its best to promote sustainability at destination.

TOI has played a pivotal role in making Side, in Turkey, a more sustainable destination. Side is a very popular seaside resort that had developed severe problems with waste and sewage handling — enough to seriously jeopardize its attractiveness as a destination. TOI and its partners brought hotel managers, local authorities and government representatives to the table. It took several years, but ten illegal landfills were closed, selective sorting and recycling has been introduced, and a water-treatment plant built. Right now, TOI is turning its attention to Thailand and the Riviera Maya, in Mexico, with a similar approach.

In addition to these efforts, we also try our best to be active on the humanitarian front. In many of the world's big tourism destinations, there are populations in distress. Over the last 24 months, we have funded construction of a school in Vietnam, given computers to El Salvador,

supported the construction of a clinic in Bolivia, and also funded aid projects in India, Haiti, and Dominican Republic, among others.

Conclusion: The “4 Ps” of tourism

Tourism is an industry unlike any other. Like all industries, ours has its raw materials. But they are not found by mining the earth or harvesting forests. Our raw materials are barely tangible, and because of that they are too often taken for granted. They are fragile, in one sense, but they are also remarkably resistant. I call these the “4 Ps”...

- First, *people*. Cultural diversity is an unbelievable source of wonders. People are different, and that’s just great.
- Second, *panoramas*. All travellers are attracted by landscapes and the beauty of nature. Protecting landscapes, natural heritage, is key for the future of tourism.
- Three, *purity*. Clean water, clean air, clean places, natural surroundings kept intact, biodiversity, are all essential to the flourishing of the travel industry.
- Finally, the *past*. We all have a deep sense that, though we share this planet, we have distinct roots, histories and heritage that deserve to be preserved and showcased.

The winning destinations of tomorrow will be those that people choose. Travellers will be increasingly aware of the concept of sustainable tourism. They may not call it that way, but they have already started developing a sense that their behaviour, the behaviour of the industry, and of destinations, do count. So, let’s take measures to ensure that tourism continues to play its role. Which at the end of the day is for everyone around the world to know and understand each other better, with respect for the riches, both tangible and intangible, that have been entrusted to our care. These are challenges that we all share.