



WORKING WITH SUPPLIERS

for sustainable development

Tour operator practices and recommendations



Tour-Link



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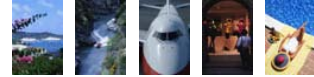
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SUMMARY

This report analyses how UK and Dutch tour operators in the specialist and mass market (mainstream products) currently incorporate sustainability into the selection and management of suppliers, and what further opportunities exist to further incorporate sustainability into management of the supply chain. It was found that operators appreciate the importance and benefits of improving the sustainability of suppliers, as a key activity in developing company sustainability activities and strategy.

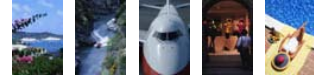
Specialist operators were generally found to take an informal approach to supplier relationships, focused on extensive dialogue. The nature of many specialists is to visit natural environments and remote areas where customers seek an 'authentic' experience. Environmental and cultural issues are therefore discussed as a core part of the product and company philosophy, in addition to cost and service quality needs. Suppliers were reported to often be proactive in protecting the environment, and opportunities for developing supplier sustainability are centred on integration of more structured assessments and awareness raising, alongside existing dialogue and informal support. Operators can potentially influence suppliers through maintenance of close, long term working relationships.

Mass-market operators work with suppliers on a more formal basis, focused primarily on detailed cost, service quality, and health and safety requirements (in UK operations). Operators recognise that improving supplier sustainability is integral to managing business responsibly, addressing market changes and meeting new legislative requirements. A priority for many companies is to increase awareness of current good practices that many suppliers have proactively undertaken and there is significant opportunity to integrate sustainability assessments into existing auditing procedures. Operators have opportunity to influence supplier practices through the volume of business, longer-term contracts, and collaboration with industry partners in delivering messages.

It was found that specialist operators have to date primarily focused attention on environmental and cultural issues in the management of activities offered on tours. Mass-market operators have principally focused on environmental issues in the accommodation sector, and are now giving consideration to sustainable excursions. In all cases, operators are keen to more formally address social sustainability issues.

Specialist and mass-market operators recognise that working with suppliers on sustainability performance can improve the quality of the product, customer satisfaction, company reputation, and staff morale. Challenges include limited operator resources to work on supplier sustainability programmes, supplier resources, capacities and interest to engage in sustainability improvement programmes, customer interest and willingness to pay extra for sustainability, and the nature of governmental regulation, facilities and infrastructure in the destinations operated in. Operators may also be challenged to look beyond short-term business gain, in protecting the long-term sustainability of the business.

Few differences were found between UK and Dutch tour operator sustainability practices among the companies interviewed. There is a greater emphasis by Dutch operators on train travel to European destinations, reflecting the geographical location of this market. Dutch operators have integrated environmental and ECPAT (End Child Prostitution and Sex Trafficking) code considerations into contractual clauses and UK operators are currently considering these initiatives. UK operators are subject to greater health and safety legislative requirements, and tend to use more formalised procedures based on joint approaches of the Federation of Tour Operators.



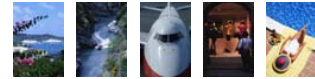
Based on this report's findings, the principal recommendations are:

- **Develop RT policies that provide clear procedures, standards and recommendations for environmental, social and economic sustainability performance in each supplier sector. This includes accommodation, excursions/activities, ground agents, food and crafts and destination facilities and infrastructure. Communicate them to staff, suppliers and customers, and review them on a regular basis.**
- **Collect baseline data on good sustainable practices that suppliers are currently involved in. Introduce assessments gradually, based on the ease of identifying impacts and influencing actions. They could be conducted by type of product, supplier, destination or impact. It is important to collect quantifiable data on performance.**
- **Implement action plans for supplier sustainability based on the type of product, supplier, destination or impact. Action plans are ideally supported by internal and external communication of the expected benefits, and in an atmosphere of collaboration with suppliers.**
- **Formally collect and store information on supplier sustainability for strategy planning, internal reporting, and possibly external reporting purposes.**
- **Use a combination of targeted verbal and written communication tools for the greatest potential to impact on supplier attitudes and practices**
- **Plan integrated customer communication strategies, with a variety of printed and verbal communication tools, and feedback encouraged on areas of interest, understanding and concern.**
- **Develop training and guidelines for the integration of sustainability issues into specific job roles.**
- **Support suppliers with a combination of verbal and printed support materials on sustainability, with further direction to external sources of support where appropriate.**
- **Promote external award/ecolabel/certification programmes, and consider the development of an internal award programme.**
- **Integrate basic standards into contractual criteria to raise awareness of the importance of the issues and demonstrate operator commitment to sustainability.**
- **Focus on managing social considerations, in addition to environmental and economic impacts.**
- **Gather evidence of the business benefits from sustainability in order to foster engagement through all areas of the business.**



Table 1. Summary of findings

	Specialist operators	Mass-market operators
1.1. Create a policy	Policies are often developed by directors and/or RT managers, and give most detail to environmental management of tour activities. They are commonly communicated to staff, customers and suppliers.	Policies are generally created by RT managers and/or RT teams and approved by the board. They set out generic commitments to sustainability with some reference to environmental management, and do not detail specific supplier sectors. Policies are communicated to staff via the intranet, and in some cases on customer websites, but communication to suppliers is limited.
1.2 Conduct a baseline assessment of suppliers	Most assess suppliers informally through dialogue, tour leader feedback, and destination staff research or customer service questionnaires. Sustainability issues are informally considered, and there is significant interest in integrating these considerations on a more structured basis.	There is limited evidence of assessment of suppliers on sustainability criteria, but potential to integrate such criteria into existing auditing procedures. Collaborative audits of accommodations and excursions are being developed by FTO members.
1.3 Prepare and implement an action plan	Activities are generally reactive, without formally defining actions and targets for supplier sustainability improvement programmes, although suppliers are often responsive to suggestions.	The priority is to collect information on current supplier practices, and data on the business case for sustainability in order to gain board and staff buy-in. Operators are also developing awareness-raising activities for staff, customers and suppliers.
1.4 Monitor and report on progress	Monitoring and reporting is mostly informal, often relying on personal knowledge of the supplier. There is some evidence of tour auditing among larger specialists. Operators do not produce sustainability reports due to limited size, resources and perceived value.	Monitoring procedures in place for other areas of business activity could be extended. Some produce annual reports which address sustainability. British PLCs are now subject to legislation on reporting of environmental and ethical issues, which may influence peer activity.
2.1 Raise awareness on sustainability issues <i>Communicate sustainability messages to suppliers</i>	Most emphasis is on informal meetings/dialogues, and distribution of the company's RT policy. Many operators are interested in defining guidelines specifically focused on steps suppliers can take.	Most are planning to focus sustainability communication on guidelines/codes of practice, to accompany audits. These may be carried out by destination-based staff, which gives opportunity for ongoing support. Other companies may integrate basic questions into purchasing criteria.

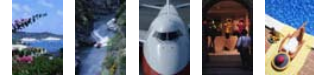


	Specialist operators	Mass-market operators
<i>Communicate sustainability messages to clients</i>	All operators promote sustainability messages to some degree, and commonly differentiate products on this basis. Client guidelines are provided in promotional and pre-departure information, and leaders and/or local guides reinforce messages. Operators of tailor made trips are most likely to ask for basic client feedback on RT issues. Updates on the company's RT activities are included in newsletters.	Many operators are focusing on developing printed information in travel packs, website information, and in resort representatives welcome meetings. There is a general desire for a greater understanding of customer interests and concerns, which may be addressed through market research and/or including some basic sustainability related questions in Customer Service Questionnaires.
<i>Communicate sustainability messages to staff</i>	Most emphasis is on tour leader training and internal management training. Other communication tends to be informal and there is little evidence of structured integration of supply chain sustainability into job roles, although staff are said to have a good understanding of developmental/ environmental issues.	All operators are involved in communicating sustainability issues through the company, and are interested in the development of training materials for job specific functions. Communication is based on the intranet, workshops and meetings.
2.2 Provide technical support on sustainability actions	Technical support is mostly offered through informal dialogue, due to operator and supplier resource limitations.	Do not currently give technical support on sustainability issues, but use suppliers that receive this support through certification programmes. There is potential to deliver joint workshops on sustainability.
2.3 Offer incentives to sustainable suppliers	Do not currently use incentive schemes due to limited operator and supplier resources, and the informal nature of the relationship. Maintenance of long-term, close business partnerships acts as an incentive to suppliers.	Most are interested in an incentive approach, based on support for internal and external award/ classification/certification schemes. Contract renewal acts as an incentive to suppliers.
3. Integrate sustainability into suppliers' contracts	Some operators do not use contracts. Where incorporation of sustainability criteria is included among larger specialists, it involves adherence to the company's RT policy. Most currently consider this approach too formal and restrictive.	Dutch operators have begun to incorporate sustainability and ECPAT criteria. The UK market generally felt this should be introduced in the longer term, following the establishment of communication and monitoring procedures.



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INTRODUCTION

The report has been produced as part of the EU 'Tourlink Life' funded project, which aims to develop an integrated tour operating supply chain management strategy to foster sustainability in tourism. Two current management programmes are referred to through the report; the PMZ (Product en Milieu Zorgsysteem) of the Netherlands Association for ANVR tour operators, and the IRTP (Integrated Responsible Tourism Programme) of the Federation of Tour Operators (which was based on the PMZ).

Findings from this research will contribute to setting standards for supply chain management and development of training materials. The report advances the work of the Tour Operators Initiative (2004) on 'Supply chain engagement for tour operators', which shows that successful supply chain relationships are developed and implemented according to three steps:

- To establish a sustainable supply chain policy and management system
- To support suppliers in reaching sustainability goals through raising awareness on sustainability issues and demonstrating why sustainability performance is important
- To integrate sustainability criteria into suppliers' contracts.

Each step is presented with suggested implementation tools, and current activities amongst specialist and mass-market operators in the Dutch and UK markets. Specialist operators refer to small operators that offer highly individualised through to mass-market style packages. Mass-market operators refer to multi-branded companies that offer traditional mainstream package holidays in addition to specialised products. Based on a consideration of the terms operators use to describe practices, this report terms sustainability issues under the umbrella of 'responsible travel' (hereafter, RT).

Findings are based on the result of telephone interviews with companies suggested by the ANVR, and members of the Association of Independent Tour Operators (AITO) in the UK that have received the top responsible tourism classification. Two additional non-AITO UK specialists were interviewed. British mass-market operators from the Federation of Tour Operators (FTO) were interviewed directly, across departments at head offices (My Travel UK and Ireland, Thomas Cook UK and Ireland) and in resort in Majorca (First Choice UK and Ireland).

Thanks is extended to all the operators that participated in this research:

British Specialist operators: ATG Oxford, Audley Travel, Baobab Travel, Discovery Initiatives, Dragoman, Exodus, Explore, Guerba, Imaginative Traveller, Intravel, Kumuka Expeditions, Naturetrek, Sunvil Africa, Sunvil Cyprus, The Adventure Company, Tribes Travel, Trips Worldwide.

British mass-market operators: First Choice UK and Ireland, My Travel UK and Ireland, Thomas Cook UK and Ireland (referred to throughout the report by company name only)

Dutch specialist operators: Aktiva Tours, Club Med, Eurocult, Interhome, Sawadee, SNP, VNC.

Dutch mass-market operators: Oad Reizen, TUI Netherlands (referred to throughout the report by company name only)

Thanks also to Chris Thompson (Federation of Tour Operators), Dick Sisman (Association of Independent Tour Operators), Richard Tapper (Environment Business and Development Group and Leeds Metropolitan University) and Jakomijn van Wijk (Free University of Amsterdam).



STEP 1: ESTABLISH A SUSTAINABLE SUPPLY CHAIN POLICY AND MANAGEMENT SYSTEM

1.1 Create a policy

What to do? Develop a policy for improving the sustainability performance of suppliers, and integrate it into the company's existing management systems.

How? Define a mission statement that describes the company's aspirations for RT and sets out commitment and goals, and a code of practice that outlines the management practices necessary for policy implementation.

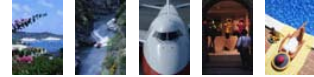
Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> • Cascade communication throughout the company on policy content, implementation, development and achievements. • Provide suppliers and agents with a copy of the policy. • Promote the policy to customers. 	<ul style="list-style-type: none"> • Develop sub policies for product groups/brands. • Set a policy to preferentially select suppliers that demonstrate consideration of sustainability issues, providing price, service and quality standards are met. • Illustrate policy commitments by providing examples of good practice.

For sustainability to be part of the core values and decision-making processes of the operator, its key principles need to be integrated into company policy. RT policies are therefore a basic requirement of the IRTP and PMZ frameworks, and the Association of Independent Tour Operators (AITO) RT grading system.

Policies set out how to identify, monitor and improve economic, environmental and social sustainability performance. They serve an internal function by publicising company goals and detailing the contribution of employees, and an external function by indicating to customers, suppliers and stakeholders how the company intends to control the impact of products and services.

A RT policy needs to be developed and implemented by a team of people familiar with day-to-day business activities, knowledge of sustainability, and destination knowledge. It is important that the team have sufficient time and resources, are empowered to address the relevant issues, and have the necessary experience to bring about management change and sell the policy to staff at all levels.

The implementation of supplier sustainability needs to be integrated into every core area of business activity, from top management through to destination staff. A RT policy is ideally developed through discussion with key staff and it sits particularly well with quality and new product development roles. Operators may also wish to consult with suppliers, so as to develop ownership and commitment to the policy.



Policies typically include statements referring to internal management, product development, customer relations, co-operation with destinations and supply chain management of accommodation, excursions/activities and transport. The detail and length of policies will vary according to the size of the operator, nature of the products and destinations operated in, and the company's sustainability strategy. It is important that policies are not too rigid, but allow room for continuation and evolution as the RT strategy develops. It is best if standards can be realistically achieved, and are expressed in a straightforward way that suppliers, customers and staff can readily understand.

Specialist operators: policies are often developed by directors and/or RT managers, and give most detail to environmental management of tour activities. They are commonly communicated to staff, customers, and suppliers.

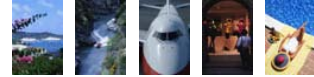
Many specialists interviewed have had a RT manager for several years, and it is also now a basic requirement of the IRTP and PMZ programmes and AITO's star rating system. A member of staff in a director, marketing, sales, product management or operations management role often manages RT. Operations are small enough for this person to have an in depth understanding of all the company functions, and feedback is gained through informal discussion or meetings. Larger operators (Exodus, Explore, The Adventure Company) have formed RT teams.

Specialist operations were often founded from a genuine passion for travel and a desire to 'give something back', and personnel have in-depth expertise and interest in destinations. Many operators base the policy on industry association guidelines (ANVR, AITO). In some cases, operators have also adopted policies from external organisations that address social issues such as child prostitution (ECPAT) porter protection (Tourism Concern, International Porter Protection Group) or wildlife viewing (Tour Operators for Tigers). Implementation of the policy tends to occur informally through discussion/staff meetings, rather than formally integrated into job descriptions.

Particular emphasis is given to activity providers, which are required to follow the company's environmental objectives, and in the case of porter protection, social objectives. Many operators state a preference for locally owned and run accommodation, and some make reference to working with suppliers that share the same environmental objectives. For transport, many promote carbon offsetting schemes and use of local service lines. A few refer to capacity efficient travel, good maintenance practices and environmental considerations in sensitive areas/around wildlife, and several Dutch operators state preference for train travel over air where possible.

Dragoman - RT role change from marketing/sales to product

The company recently reviewed business processes and identified that RT is closely related to product management and development, and therefore created the role of product manager. This was based on an understanding of the cyclical nature of the business in terms of how a product is created based on leader and client feedback, goes to marketing and sales, is implemented 'on the road', more feedback is gained, the product is further developed, is again sent to marketing and sales, goes out on the road and so on. Dragoman therefore felt that RT issues should be incorporated more in the actual design of the tours, rather than at the later stage of sales/marketing. As the company is relatively small, all staff continue to informally engage in the development and implementation of RT within the company.



Exodus - 'top down' meetings in the design of a RT policy

Exodus developed its RT policy by working with an external consultant and ran sessions for all UK based staff over two days. Everybody from top management down identified issues and action areas, including staff from marketing, sales, finance and operations. This gave all staff ownership of the policy, encouraged commitment, and gave an understanding of individual roles and responsibilities.

New personnel are trained in the policy at induction sessions. Employees responsible for implementing the policy give updates in weekly departmental meetings attended by the RT manager, and these are communicated through the company via the intranet and annual training sessions.

SUPPLIER RELATED POLICY STATEMENTS

Employment

"Involve the local community in planning and decision making at all times, employing them wherever necessary at acceptable rates of pay." (Discovery Initiatives)

"We strive to recruit local people in both office and field positions where possible. These members of staff are trained by us and receive the same remuneration as foreigners doing the same job." (Imaginative Traveller)

"To use, wherever possible, local guides and to train them to the highest standards expected by modern-day wildlife tourists." (Naturetrek)

Guidance

"We will work together with our business partners in host destinations to implement the highest standards and where necessary work out an agenda on how these standards can be met." (Exodus)

"Give practical guidance on how to achieve our objectives and set goals to work towards together." (Explore)

"Working with local suppliers, conservation groups and indigenous communities to increase awareness and encourage protection of the environment, wildlife and host cultures." (Trips Worldwide)

Environmental commitment

"We favour ground agents who have an awareness of RT policies and strong environmental commitment." (Audley Travel)

Supplier policy

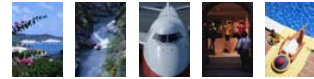
"In order to ensure that our local suppliers follow a similar code of conduct, we are currently implementing a Responsible Suppliers Policy. Where possible we will try to get our suppliers to fill in a questionnaire and meet certain criteria, which strives to protect the employees and animals in areas where welfare concerns are not fully understood". (Dragoman)

Client feedback

"Clients are asked to report on the behaviour and awareness of our agents and local guides once they have come back from their trip." (Audley Travel)

Reporting

"Ensure that the results of all reviews are documented and communicated to all those working with ATG, and made available to the public." (ATG Oxford)



Mass-market operators: policies are generally created by RT managers and/or RT teams and approved by the executive board. They set out generic commitments to sustainability with some reference to environmental management, and do not generally detail specific supplier sectors. Policies are communicated to staff via the intranet, and in some cases on customer websites, but communication to suppliers is limited.

As part fulfilment of IRTP/PMZ requirements, all mass-market operators have a RT manager, and are required to produce a policy. Policies have either been drafted by RT managers/teams, or through working groups drawn from departments across the company. These individuals often play an important role in championing sustainability. Commitment from the Executive Board is also considered vital in driving policy implementation forward. RT teams generally hold meetings on a periodic basis to discuss progress, review policy, and set objectives. Responsibilities for specific activities are assigned on a needs basis, rather than assigned to specific roles.

Content is often based on industry association guidelines (ANVR, FTO) and are applicable across the tour operator group, although specialist brands may produce their own sub policies. In terms of the supply chain, they generally set out generic commitments to raising supplier awareness, and working with them to improve the sustainability of the product.

Dutch operators follow specific policies on excursions as part of ANVR requirements to not sell 'unethical holiday products'. For example compliance with the ECPAT code regarding the sexual exploitation of children, and excursions with negative environmental impact such as dolphin and whale watching, jet skiing, four-wheel drives in sand dunes, or animal cruelty (TUI, Oad Reizen). Dutch operators note that it is hard to keep control of all the excursions that are offered in and around hotels, so policies focus directly on those offered in brochures or by ground agents. UK operators are currently developing sustainable excursion guidelines, which can potentially be incorporated into company policy.

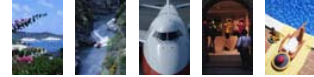
First Choice (UK and Ireland)– development of a sustainable tourism strategy

First Choice developed its policy under the guidance of the sustainable think-tank charity 'Forum for the Future'. The Board Directors and senior managers mapped company activities, identified impacts and set priorities using a framework developed by Natural Step. The sustainable tourism policy was then drafted by a sub group of senior managers before being reviewed by the entire team and signed off by the Executive Committee.

TUI (Netherlands) – 'top down' implementation of the sustainable tourism policy

Experience at TUI has shown that a top-down, rather than horizontal management approach, is much more effective in forcing change. The company has a new Board of Directors that is very supportive of sustainable tourism and has empowered the RT manager to actively implement the policy through the company.

The manager is now developing specific responsibilities for each job role to ensure the policy is followed in all areas of business and knowledge is integrated into company procedure rather than internalised by individual employees (which risks knowledge loss if they leave). The company is also considering the development of product specific sustainable tourism policies such as for winter sport or summer sun, so as to give more detailed and relevant guidance to staff in the implementation of policies.



SUPPLIER RELATED POLICY STATEMENTS

Raise awareness

“We recognise that raising awareness and understanding of RT amongst our suppliers is key in order to gain their commitment.” (My Travel)

“Improve the commitment amongst Thomas Cook staff, customers and other major stakeholders by raising awareness of sustainable tourism and providing training and education opportunities, where appropriate.” (Thomas Cook)

Work with suppliers

“We are committed to working with suppliers to try and deliver RT.” (My Travel)

“Working with suppliers... to understand and respect their needs and also support them in delivering our commitments.” (First Choice)

“The company will encourage its partners, suppliers and sub-contractors to improve their contribution to the sustainable development and management of its business, and will work with them, and share information to assist this.” (Thomas Cook)

The environment

“Energy conservation at home and overseas. The company will continue to develop a policy on energy management, seeking methods of measuring our energy usage, then developing ways to maximise efficiency and minimise wastage.” (Thomas Cook)

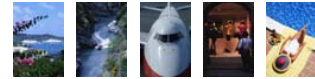
“Prevent pollution wherever possible and continually improve our environmental performance by setting and measuring objectives, and targets that address our main environmental impacts – principally aircraft noise and emissions” (First Choice)

Working conditions

“Promote fair working conditions throughout our own business and supply chain.” (First Choice)

Excursions

TUI only uses reef dive suppliers that have a strict ‘no contact’ policy for all the bottom and marine life, do not offer coral or other marine life for sale to visitors, have strict garbage facilities on boats and promote and explain eco-diving standards to divers.



1.2 Conduct a baseline assessment of suppliers

What to do? Assess suppliers' strengths and weaknesses to identify areas for improvement, and generate a baseline to identify priorities and benchmark progress.

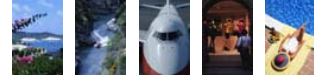
How? Dialogue, questionnaires, audits, workshops, engagement in ecolabel/award/certification programmes.

Recommendations

Minimum	Desirable
<ul style="list-style-type: none"> • Collect baseline data on activities suppliers are currently involved in. • Assess suppliers' values, strengths, weaknesses and concerns including current levels of performance, technical capacity and desire to engage in a sustainability improvement programme. • Select a sample of suppliers for assessment based on the ease of identifying impacts, and the ability to influence actions. Assessments could be grouped by type of product/package, supplier, destination or impact. 	<ul style="list-style-type: none"> • Develop training modules to enable staff to carry out audits. • Identify indicators of suppliers' environmental, social and economic levels of performance such as waste disposal, water use, energy management, production and purchase of local goods, vehicle environmental efficiency, training and working conditions of local staff, community development and animal welfare. • Indicate how the assessment results will be used, and consider preparing a summary report to illustrate the levels of performance and how suppliers compare. • Store feedback from assessments on a database management system so as to allow easy access to information and comparison between suppliers, over time. • Cooperate with destination authorities and NGOs to understand particular circumstances in each destination in creating criteria for assessment.

Prior to designing supplier sustainability activities, it is important to carry out a basic assessment of suppliers' values, strengths, weaknesses, concerns, and what actions they might already be taking to reduce impacts. As a first step, operators can ask suppliers if they have received any external awards/ecolabels/certifications, which operators consider a credible and reliable indication of performance standards (see section 2.2). This can reduce the need for operators to conduct full internal audits.

Areas for consideration in more detailed assessments differ according to supplier sector, but include client information, labour and employment policies, community relations, conservation and biodiversity measures, water, energy and waste management, chemical use, purchase of local goods, vehicle environmental efficiency, and animal welfare.



Assessment questions need to be straightforward, flexible to local circumstances, and cover all aspects of the business. It is advisable to involve both supplier and operator staff in the design of the assessment so as to incorporate all relevant issues, and to encourage commitment and support. Ideally, assessment needs to take place prior to using new suppliers, and as a periodical review. This may take place by arranging a visit, or making spot checks. Ultimately, operators should aim to create a list of suppliers that have been assessed, what the results are, and what actions need to be taken.

Assessment could occur through dialogue, workshops or a more structured audit completed by UK based staff on research trips, destination staff, or suppliers (directly, via ground agents or supplier peer review). In some cases, assessments could also be carried out by external consultants or bodies such as trade associations, wildlife experts, conservationists or Non Governmental Organisations. Customer service questionnaires can also support assessment processes.

Assessment conducted directly by tour operator staff or external bodies ensures immediate, and possibly more reliable feedback. It may also avoid needing to make several requests for information, and the translation of written documents. However, supplier completion may be more practical in some cases, and the tour operator can check accuracy through regular monitoring procedures. If suppliers self-assess, operators need to agree and communicate the action to be taken if a supplier is discovered to not be reporting the true situation.

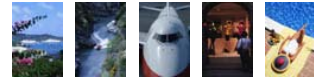
The ability to engage suppliers in assessment processes is influenced by the volume of business, the nature of the relationship, operator resources and influence, supplier resources, awareness of and commitment to sustainability, and the nature of regulation, infrastructure and facility provision in the destination. Depending on economic and logistical considerations, operators may choose to implement assessments gradually, by type of product/package, supplier, destination or impact.

It is important that assessments are not too complex and time consuming, but are gradually built upon over time. Assessment is not designed to stop using suppliers that do not meet desired sustainability levels. Rather, it is a tool to enable the systematic gathering of data that will help the operator and supplier to identify areas where improvement can be made over the longer term.

Specialist operators: most assess suppliers informally through dialogue, tour leader feedback, and destination staff research or customer service questionnaires. Sustainability issues are informally considered, and there is significant interest in integrating these considerations on a more structured basis.

Supplier knowledge is built up through staff research trips, personal meetings at trade fairs, staff feedback, local agents or desk research and telephone/email contact. Some operators have managers (local if the capacity exists, or from the UK) in the most popular destinations that identify suppliers, and some leaders actively research products during tours. Suppliers often market themselves by directly contacting tour operators, in which they commonly set out their RT credentials and demonstrate attitudes to local issues. Some operators noted the value of supplier classification programmes, but uptake is restricted by availability in the destination and cost considerations. Some operators refer to include responsibletravel.com and Tourism Concern's community travel guide in identifying suppliers.

Most look for products and services that meet cost, quality and service requirements, are well located, have a good reputation, are reliable, and efficient in



administration. Many try to select suppliers where characteristics of sustainability (small properties, local food and local contact) are a key part of the product. However, they often cannot base supplier choice purely on this basis, as supply is limited. Only up market, niche operators in Africa deselect and/or refuse client requests to use particular suppliers (Sunvil Africa, Baobab Travel), reflecting products at the top end of the market that are based on pristine environments, where clients are prepared to pay a premium for the experience.

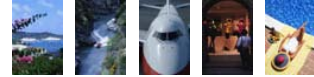
Many operators have an intimate knowledge of destinations and have used the same suppliers for a significant period of time. They feel that the scale of operations is small enough, and employees have sufficient expertise to gather information informally. Some place particular emphasis on the selection of suppliers with good community and staff relations (Baobab Travel, Guerba Travel, Sawadee, Sunvil Africa), but many are wary of asking suppliers about employment conditions as it may be perceived as intrusive. They state that if there were any problems, staff or clients would soon become aware of it, and the company would then address the issue.

Operators that use larger suppliers do sometimes ask suppliers if they have a RT policy (Audley Travel, Trips Worldwide), and providing other product requirements are met, give preference to these suppliers. There is only limited evidence of formal assessment of supplier sustainability performance. This includes a responsible suppliers' questionnaire to prospective suppliers (Tribes Travel) and RT audits of tours among larger specialists (Explore, The Adventure Company). Several operators are interested in developing a more formalized type of assessment system for RT issues (ATG Oxford, Discovery Initiatives, Dragoman, Eurocult, Exodus, Guerba, Naturetrek, Sawadee, VNC, SNP), noting that this would help to clarify company thinking and strategy, improve the structure and efficiency of feedback processes, and emphasise the importance of sustainability issues to suppliers.

Operators have not yet defined exactly what questions will be asked, how the results will be used, or how often the assessment will take place. Most state that it is an issue that will be addressed over the coming year. In cases where operators send out tour leaders, they state that they would be most likely to rely on leaders to formally assess suppliers as it is felt that they can provide a more efficient, reliable and unbiased source of information. Operators that do not send out tour leaders would rely on ground agents or suppliers to provide information, and client feedback would continue to be used as a tool to support both tour leader and direct supplier assessment.

Many operators would consider using monitoring audits created by an external body, adapted to the company's specific needs (ATG Oxford, Audley Travel, Baobab Travel, Discovery Initiatives, Dragoman, Eurocult, Exodus, Imaginative Traveller, Kumuka Expeditions, SNP, The Adventure Company, Tribes Travel, Trips Worldwide). It is felt that this would help operators to identify the relevant issues, provide a common message to suppliers, and thereby increase potential influence for change. However, many noted that it is difficult to create a guide that is generic and sets attainable standards, but challenging enough to really encourage above-average performance. Some operators also felt that checklists may not reflect the unique characteristics of a particular supplier, and risk being used as a 'tick box' exercise without any real substance. Most operators would therefore wish to continue monitoring of suppliers through dialogue and informal staff visits, alongside any type of questionnaire/checklist.

Operators are challenged by limited staff time and financial resources to implement more structured assessment systems, the diverse range of suppliers used during one trip, and frequent changes of ownership in supplier products. It is also reported that suppliers in some destinations do not give priority to sustainability concerns, particularly if the country faces severe economic problems.



Explore - RT audit for tour leaders

Explore introduced an audit in 2002 in order to identify the type of RT issues that need to be addressed, to monitor tour leader performance, and to identify areas for inclusion on the tour leader training programme. The audit includes questions relating to how the tour leader manages sustainability issues during the tour, use of local purchases, water, energy and waste management, training of local staff, use of motorized transport, impacts on local communities, animal welfare and the sale of endangered plants and animals.

The Adventure Company - RT tour classification system

In 2003 The Adventure Company began to audit its tours in terms of use of local transport, local accommodation, local guides and leaders, supply of RT information, waste, water and energy use by tour groups, porter protection, impacts on the local community in terms of cultural contact, environmental and local project support, ground agent support of RT and airlines' environmental policies.

The audit is coordinated through the product managers, or occasionally by tour leaders. Each criterion is checked, and a percentage score is calculated. The audit is sent to suppliers by email on a monthly basis to maintain focus on improving aspects of the trip, and to gain input on their needs and priorities. The information is updated monthly on a database and circulated to the RT team and directors. This enables the company to identify where product managers need to talk to suppliers about particular issues.

Tribes Travel - supplier RT questionnaire

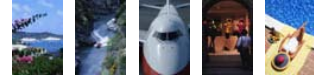
Tribes Travel sends RT questionnaires by email or post to all prospective suppliers (accommodation or ground agents), which are used as a basis for selection. This includes questions on local people and customs, local economy, natural resources and pollution, and wildlife, flora and fauna. The suppliers' response to each of these questions is available to clients on the tour information area of the company website. This emphasizes the company's commitment to sustainability, and actively demonstrates the importance of the information to suppliers. Any problems are discussed with the supplier by telephone. The company 'keeps an eye on' those who do not give much information, and does sometimes need to make repeated requests for completion.

Tribes Travel do not use UK tour leaders, and cannot regularly visit all suppliers, so rely heavily on client feedback. This is therefore an effective tool to raise clients' awareness of the issues prior to departure, empowering them to consider the issues raised and give informed feedback.

Mass-market operators: there is limited evidence of assessment of suppliers on sustainability criteria, but considerable potential to integrate such criteria into existing auditing procedures. Collaborative audits of accommodations and excursions are being developed by FTO members.

Suppliers are generally identified through product departments and purchasing/contracting teams. Overseas destination managers or ground agents arrange local transport and excursion suppliers, and may also identify accommodations (usually in cases where late accommodation is taken on during the season). No evidence was found of supplier assessment on sustainability criteria, but operators have established contracting, health and safety, quality and property information audits into which sustainability considerations could potentially be integrated.

Performance is also monitored through Customer Service Questionnaires (CSQs), which are analysed on a regular basis, and product decisions made based on areas such customer complaints and compensation claims. It was considered that all these tools these could potentially be used to gather information on sustainability issues (First Choice, My Travel, Thomas Cook).



Baseline data could initially be collected during purchasing or property checks. This could include seeking information on awards/classifications that suppliers have already received (First Choice, My Travel, Oad Reizen, Thomas Cook, TUI). More detailed checks may require training for auditors, but could potentially be integrated into health and safety/quality checking procedures (My Travel, Thomas Cook) or conducted as a separate audit (First Choice). Self-completion can however be time consuming in ensuring response rates, and requires a monitoring system to validate responses (TUI).

A commonly noted challenge in introducing sustainability auditing is available operator resources to carry out and analyse checks, and supplier reactions to further audits (which can be questioned when requiring higher standards than national regulations). It was therefore suggested that audits are focused initially on high volume, priority units in destinations where suppliers are supported by national governments in making sustainability improvements, and on a joint basis where possible (First Choice, TUI).

UK operators are currently designing a joint environmental and social sustainability audit for shared accommodations and excursions involving wild or captive animals. The results from these audits will direct what type of resources and skill building is required to roll out the audits on a wider basis.

First Choice (UK and Ireland) – environmental audit for hoteliers

First Choice piloted an environmental checklist for accommodation suppliers in 2003, on high volume, priority properties worldwide. These were conducted by destination-based health and safety/quality managers, and featured accompanying guidelines on best practice. The feedback from this audit helped to inform the FTO environmental code of practice. Suppliers were found to be very supportive of the audit, and keen to receive guidance on how to improve practices.

TUI (Netherlands) – move from accommodation environmental checklist to basic questions in purchasing procedures

In 2002, TUI introduced an environmental checklist for accommodation suppliers, but has since been reduced to four basic questions. The company believed checklists would activate supplier awareness and demonstrate operator commitment to sustainability. It was on the basis that the company would continue to contract suppliers that scored below average but with willingness and possibility to improve. TUI would support suppliers by giving advice and directing them to local and national organisations that offer support. If no improvements were made, negative contracting advice would be given to product managers.

The pilot checklist saw a response rate of only 14%. The company then decided to stop using checklists, since it was too expensive and time consuming to make repeated telephone requests for their return. TUI AG is developing a destination audit database, which will hold information on suppliers in each destination backed up by an environmental checklist, but TUI does not currently have the time or resources to collect such information and cannot access this database.

The company has now revised methods to advise product managers in the purchasing process. As they do not have time to complete a checklist, four questions have been integrated into the purchasing process (including ecolabels, waste separation, water/waste reduction measurements and support of social projects). This information will be highlighted in summer 2006 brochures and guide purchasing when choosing between properties that are equal in other respects.



1.3 Prepare and implement an action plan

What do to? Prepare an action plan for improving the sustainability performance of suppliers that is SMART (Specific, Measurable, Achievable, Realistic and Time-specific).

How? Based on information collected in the assessment, standards can be set for the overall number of suppliers to meet these targets, and for individual suppliers.

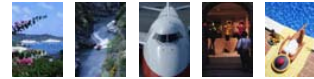
Standards can be performance based (based on specific levels of performance), process based (based on mandated procedures and practices), or a combination of the two. For example, suppliers could recycle more waste, or prepare a policy (process based), rather than actually defining target waste reductions or produce a final policy (performance based).

The standards can reflect the key issues in the company's RT policy, provide criteria for selecting new suppliers, and define a baseline for offering incentives to existing ones. They need to be flexible to accommodate different local socio-economic and environmental conditions, and the diverse size and technical capacities of suppliers.

Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> Based on a baseline assessment, prioritise suppliers for action plans, based on economic, operational and destination-based considerations. Cascade information on sustainability through the company and communicate on how each department can contribute. Gather data on the business case for sustainability. 	<ul style="list-style-type: none"> Agree targets and action plans with suppliers, offer assistance offered in how these targets can be met, and review progress in regular monitoring processes. Work with other partners such as public authorities, NGOs and other operators in encouraging sustainability improvements among suppliers.

It is advisable to involve suppliers in defining sustainability standards to encourage ownership and commitment, and to provide insights into local issues and conditions that may affect performance. Operators can also set targets relating to the issues it wants the supplier to address, suggest how these targets can be achieved, and in what timeframe. Depending on economic and logistical considerations, operators may choose to define action plans and targets by type of product/package, supplier, destination or impact.

The targets need to be challenging, but realistically achievable, and though they may appear to have a low impact on an individual basis, should be seen as a wider, incremental programme of change. It is important that targets are not over-ambitious, but can provide real satisfaction through their achievement. In order to gain supplier support it is advisable to indicate what the expected benefits to the business/destination will be, and any possible incentives for ongoing involvement. It is also important to plan how performance will be monitored, so as to assess the degree to which targets are met, and to identify any necessary corrective or preventative action.



Specialist operators: Activities are generally reactive, without formally defining actions and targets for supplier sustainability improvement programmes, although suppliers are often responsive to suggestions.

As operators tend to work on an informal basis with suppliers, there is little evidence of operators setting specific actions and targets to improve supplier sustainability. A reactionary approach is generally taken whereby operators address problems as they arise. Such problems are mostly quality related, but directly relate to sustainability. For example, operators refer to instances where they have advised wildlife guides not to approach wildlife too closely (Tribes Travel), to ensure that trek porters do not carry too heavy loads (Dragoman), or for tribal villages to design a code of conduct regarding issues such as tourist photographs (Sawadee).

Operators' report that it is rare that suppliers do not react to the advice and implement advised changes, although it may sometimes require lengthy discussion and explanation of the reasoning behind the changes. For example, some crews in East Africa have improved waste disposal methods and working conditions, but are still resistant to using gas rather than charcoal for cooking (Sawadee).

Tourism Concern Trekking Wrongs - Porters Rights campaign

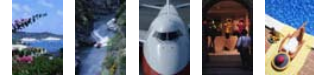
Tourism Concern devised guidelines for porters' rights and working conditions with tour operators and the International Porter Protection Group. Over forty UK operators have incorporated these guidelines into their wider RT policies. The guidelines include recommendations on maximum carrying loads, appropriate clothing and footwear, medical care, insurance, hours, fair pay, child labour and formal contracts. Clients are generally well informed about the guidelines pre-departure, and asked to give feedback on conditions in satisfaction questionnaires. This demonstrates how operators can improve suppliers' working conditions, and the quality of the product through following guideline recommendations.

Source: www.tourismconcern.org.uk

Mass-market operators: the priority is collect information on current supplier practices, and data on the business case for sustainability in order to gain board and staff buy-in. Operators are also developing awareness-raising activities for staff, customers and suppliers.

Most operators have not yet defined action plans for supplier sustainability, since the first priority is to gather data on current performance. UK operators are awaiting the further development and piloting of joint audits on excursions involving animals and accommodations in order to direct ongoing strategy. Another priority is to increase awareness of sustainability issues among staff, in order to define targets and indicate how each department can contribute to company objectives. There is also a desire for quantitative data on the business case for sustainability (First Choice, My Travel).

Mass-market operators can potentially have considerable influence on suppliers through the volume of purchases, especially when acting as a group. As operators primarily deal with large international chains and franchises, it is possible that suppliers have management processes in place to address proposed initiatives. In chain owned accommodation and transport suppliers there is opportunity to set best practice standards.



With regard to implementing health and safety or quality-based initiatives, it was reported that influence is in some cases greater on large chains, or sometimes greater on smaller family run properties. This is because large chains may have more financial resources, but do not always consider customer satisfaction a priority, and if the tour operator's business is not critical, influence is reduced. Smaller hotels may have fewer resources, but pride themselves on providing high customer satisfaction, and value the operator's business, so may therefore be more responsive to suggestions (First Choice). Operators report that depending on the destination, suppliers are implementing initiatives. For example, hoteliers in Majorca and Lanzarote and some other parts of the Western Mediterranean are considered particularly proactive (First Choice).

My Travel (UK and Ireland)– lobbying for infrastructure improvement in the Dominican Republic

My Travel joined forces with other FTO operators in the Dominican Republic to lobby the government to improve sewage infrastructure, as poor pipe work was causing dengue fever among customers. Operators threatened to pull out, and action was taken. Although commercial interests drove the activity, it improved the quality of life in the resorts, and therefore improved social sustainability.



1.4 Monitor and report on progress

What to do? Monitor and report on progress made in managing the sustainability of a company's supply chain.

How? Select indicators for monitoring performance, which can be set internally, or based on existing guidelines.

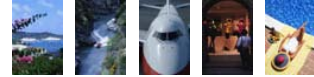
Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> Develop current supplier information systems to include sustainability criteria. Gain feedback from each department on a regular basis on progress and issues in the implementation of RT strategy. 	<ul style="list-style-type: none"> Develop indicators based on area of impact or supplier type that can be used to monitor supplier performance. Synthesise departmental managers' feedback into an annual written report or staff presentations to provide an overview of activities, and guide on-going strategy. Consider using a third party to review the company's sustainability report before publication.

Monitoring and reporting is necessary to measure progress, and to identify any shortfalls or potential problems in order to plan the next cycle's strategy. It can be carried out on an annual or seasonal basis, depending on the nature of the operation. It is important to select indicators for monitoring performance, which can be set internally, or based on existing guidelines such as the tour operator sector supplement for the Global Reporting Initiative's sustainability reporting guidelines and performance indicators.

The IRTP and PMZ frameworks offer a basic monitoring system by requiring companies to submit information at different stages. Operators then review progress in implementing the programme of work by comparison with the RT objectives. AITO also offers a basic monitoring scheme through applications for the star rating system. The Tourlink project is detailing a monitoring and reporting structure based on current worldwide programmes.

Reporting, both internally and externally, gives a sense of transparency to the company activities and is useful to foster discussion, promoting good practice, and further demonstrating commitment to sustainability. It is important to show staff what has been achieved, and recognise commitment. Monitoring and reporting also internalizes knowledge, rather than risking loss in the absence of a critical staff member. It can be used to provide feedback to suppliers on performance, although it would need to be made clear that positive feedback, would not necessarily guarantee continued business.

It may be useful to consider employing an external auditing/reporting body to give extra validity. It is preferable to use quantifiable data where possible, to enable comparison year on year. In the interests of transparency, it is also important that reports give information on where improvement is still needed.



Specialist operators: monitoring and reporting is mostly informal, often relying on personal knowledge of the supplier. There is some evidence of tour auditing among larger specialists. Operators do not produce sustainability reports due to limited size, resources and perceived value.

Current supplier information generally refers to product features (such as accommodation facilities, or ground agent services) rather than sustainability characteristics. Monitoring of sustainability is not carried out on a formal basis in most cases, but involves discussion between personnel from operations, destination management, leader management, RT and directors. Only larger specialists formally monitor tours (Explore, The Adventure Company).

One specialist was found to be in the process of preparing a formal reporting system (ATG Oxford). Most operators are not interested in producing formal reports due to the small scale, informal nature of the business. They prefer to disseminate information to employees on RT performance through informal dialogue and meetings, which informs personnel and maintains commitment to RT goals.

The Adventure Company – monitoring of RT audits

Information is stored on a database and maintained by the RT coordinator. The RT team holds regular meetings to discuss results and set actions. Informal communication of the results is planned to be disseminated through the company and to clients in a RT newsletter.

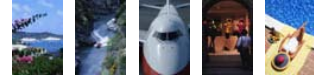
ATG Oxford - reporting on environmental performance

The company aims to encourage improved practice by increasing awareness of performance requirements. This will in part be achieved by providing a framework for reviewing all the company's environmental objectives and targets on a regular basis. The results of all reviews will be documented and communicated to all those working within ATG Oxford, and made public.

Mass-market operators: monitoring procedures in place for other areas of business activity could be extended. Some produce annual reports which address sustainability. British PLCs are now subject to legislation on reporting of environmental and ethical issues as part of the mandatory operational and financial review, which may influence peer activity.

Some mass-market operators produce environmental reports (TUI), or include sustainability information in the annual report (First Choice). This momentum is set to increase this year with the UK legislation (introduced in April 2005) that every Public Limited Company (PLC) includes reporting on ethical, environmental and social issues as part of an operational and financial review (this will apply to First Choice and My Travel). Such reporting may influence peer activity to introduce similar reporting, if it is perceived as beneficial.

RT managers internally report on activities to the Executive Board on a regular basis. This is useful to collate information, which can potentially be cascaded through the company. UK operators also have established monitoring procedures in place (in areas such as customer satisfaction, health and safety, and property information) through the PASS system, which can potentially incorporate RT issues. The FTO is currently designing a reporting template that can be used to support the forthcoming accommodation, and wild and captive animal excursion checklists.



TUI (Netherlands) - Sustainability report 2001 – 2002

The report broadly follows the sustainability reporting guidelines proposed by the Global Reporting Initiative and the tour operator specific supplement of the Tour Operators Initiative. It covers the company's environmental policy 2002 – 2004, and the earlier environmental policy. TUI state that it is difficult for a tour operator to quantify the results of the drive for sustainability, so have opted for a descriptive form of reporting, providing examples of good practice from its own business, brand partners and contractual partners. The report is structured by the four main elements of company policy; 'Buy green, Sell green, Share green, & Be green.' Due to limited resources, the company no longer produces sustainability reports, and will include information in TUI AG group environmental reporting.

First Choice (UK and Ireland) – People and Environment Report 2005

The company has published a section on sustainable tourism in its annual report for several years, and will publish a Corporate Social Responsibility report in September 2005. This will identify examples of good practice across the group on social and environmental projects with objectives, targets and indicators for performance. The report will be featured on a dedicated website, and a key audience stakeholder group will be staff so as to increase internal awareness of the company's sustainability activities. This report will meet the legislative requirements for PLC companies to report on ethical, environmental and social issues, and enable directors to demonstrate that key environmental and social issues have been identified through a robust process of risk evaluation.



STEP 2: SUPPORT SUPPLIERS IN REACHING SUSTAINABILITY GOALS

2.1 Raise awareness on sustainability issues

In order to improve supplier performance on sustainability issues, it is important to raise awareness of the implications of potential negative impacts, and how these might be addressed. In developing supply chain sustainability, operators are advised to consider how awareness can be increased among suppliers, staff (who are responsible for actively encouraging change) and clients (who influence product development through demand).

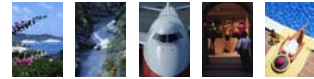
Communicate sustainability messages to suppliers

What to do? Raise awareness among suppliers and demonstrate why sustainability performance is important

How? Dialogue, RT policies, training sessions, guidelines, questionnaires, checklists, manuals, workshops, on-line information, links to local, national and international advisors

The key to engaging supplier interest and commitment to improving sustainability depends on raising awareness of the potential benefits, and the potential risk of not addressing issues which may have an adverse affect on tourist satisfaction. The level of influence operators have on suppliers is dependent on the length of the relationship, the volume of business, supplier capacity, supplier awareness and interest in sustainability, local regulations, facilities and infrastructure.

Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> • Distribute the company's RT policy to suppliers and seek feedback. • Identify key messages to communicate to suppliers and ensure that staff highlight issues in all contact. • Consider using basic written guidelines to highlight and reinforce the company's RT policy, and clarify verbal information. • If the company produces a newsletter which includes RT issues, or includes RT on the website, ensure that suppliers are aware of it. 	<ul style="list-style-type: none"> • Focus communication messages to take into account supplier feedback, interest, capacities and priorities for improvement. • Develop detailed supplier guidelines and/or questionnaires that are sector and/or destination specific. • Disseminate information through a variety of communication dissemination channels for maximum impact. • Provide suppliers with feedback on performance, possibly in relation to local competitors. • Run workshops for suppliers, either independently or in collaboration. • Engage with local trade associations/NGOs to highlight and reinforce issues to suppliers.



Clear, targeted messages can be given through dialogue, printed materials such as RT policies, guidelines, manuals, online information, or directing suppliers to external sources of support. Some operators may also consider running workshops, either in the UK or in destinations. Although suppliers may not be immediately responsive in implementing change, regularly giving and asking for information raises awareness of the issues. It also gives opportunity for operators to learn about activities that suppliers are already engaged in, and to gain local insight into destination issues.

Guidelines/RT policies are powerful awareness raising tools and can range from the very general to more specific, based on supplier sector, area of impact, or destination. They need to be expressed in simple, straightforward language, and some operators may find it most effective if policies/guidelines are translated into the destination language, so that they can be directly disseminated to all employees.

Audits provide more structured feedback that can be used to increase supplier attention to implementing change. Operators may therefore prefer to use guidelines as a first step towards more formalized audits, or as a support tool for such assessments. Whether these are self-completed by the supplier, the operator or an external body, they again need to be clearly expressed and suppliers need to understand the aims of the assessment and how the information will be used.

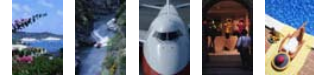
Whatever communication tool is used, it is important that commitment is built through a cooperative approach, and suppliers understand that it is part of a gradual programme of improvement. To encourage engagement, operators can give feedback on performance, compare it with other suppliers in the same sector, and give recommendations for improvement. Suppliers are also more likely to cooperate if they see that operators take the issues seriously, are implementing initiatives in internal operations, and can demonstrate the expected benefits.

Specialist operators: most emphasis is on informal meetings/dialogues, and distribution of the company's RT policy. Many operators are interested in defining guidelines specifically focused on steps suppliers can take.

Specialist operators mainly informally communicate with suppliers either by head office contact, meetings at trade fairs, tour leaders, staff research trips, or supplier visits to the UK. Sustainability issues are often not focused upon directly, but tend to arise in discussion of operations or service quality. Most operators stated they provide suppliers with a copy of the company's RT policy and ask them to follow its principles.

Tour leaders are often responsible for implementing the RT policy and actively demonstrating good practice to suppliers, or discussing any problems that have arisen. Operators that do not use tour leaders generally communicate with supplier owners/managers or ground agents. Some operators refer to ground agents that provide training to staff, which although is not specifically focused on RT issues, has built local capacity (Guerba, Dragoman, Audley Travel).

Depending on the destination, some operators express the high levels of service ground agents provide (Austria, South America and Africa) and their important role in identifying suitable products and services. Operators in other destinations (Cyprus, China, France and parts of Eastern Europe) expressed frustration at the lack of awareness and interest in sustainability, and how this limits the nature of products that can be offered. It was found that operators can have problems using local personnel, as the knowledge and awareness of service standards requested by Western clientele is poor (Sunvil Cyprus), and in some cases operators therefore prefer to use ground agents with part foreign ownership (Audley Travel, Baobab Travel).



In some instances operators run training sessions/workshops for suppliers either in the UK (Exodus) or in destinations owners (Discovery Initiatives, Exodus, Explore, Sawadee). These generally advise on product management, quality, service and RT, and some operators would welcome practical recommendations on how to run a workshop on RT (Sawadee).

Many operators (Audley Travel, Discovery Initiatives, Guerba, Imaginative Traveller, Kumuka, Naturetrek, Sunvil, The Adventure Company, Tribes, Trips Worldwide) produce/are in the process of producing electronic newsletters, which are sent to clients and suppliers. Most operators' websites feature the company's RT policy and other supplementary information, which they may also refer suppliers to. Two companies feature RT information relating to specific trips on the website (The Adventure Company, Tribes Travel). Some operators (Dragoman, Eurocult, Guerba, Imaginative Traveller, Inntravel Sawadee, SNP, The Adventure Company, VNC) are also considering formulating written guidelines that will be sent to suppliers to provide them with a clear indication of the nature of products the operator wants to buy.

Discovery Initiatives – 'Tour operators for tigers' workshops

Discovery Initiatives play a leading role in this campaign set up in 2004 by a number of concerned Indian focused tour operators in the UK who believe there is a need for change in the way that nature and wildlife tourism is developing in India. The aim is that all tour operators, providers, local services, park management and visitors will join together to protect tigers. Twenty-six tour operators have signed up to a code of conduct concerning ground handlers, visitors, accommodation providers and new accommodation provision.

The *ground handlers code* requires operators to instruct suppliers to consider the environmental footprint in terms of providing goods and services that encourage good energy, waste and water management, local ownership and employment, local purchasing, client information and training of guides.

The *visitor code* advises on responsible behaviour in terms of noise, littering, cultural etiquette, photography and purchase or illegal/endangered wildlife products.

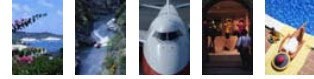
The *accommodation code* requires providers to respect protected area regulations, employ local people, purchase locally, provide opportunity for local artisans, seek quality control in transport services, provide client information on the local area and advised behaviour and manage energy, waste and water consumption.

The *code for new accommodation provision* requires development to adhere to local regulations, to construct in a fashion appropriate to the surrounding environment, employ locals in construction and maintenance and provide training where necessary, to use sustainable materials, to not exceed carrying capacities and to make provision for appropriate energy, water and waste management.

Exodus – ground agents conference

Exodus took advantage of ground agents coming to England for the World Travel Market in 2004 by inviting them to a one-day conference at the company headquarters. This aimed were to emphasise Exodus's legal and moral requirements towards clients, and to find ways to develop closer partnerships that will benefit clients, the company and the destinations visited.

Operational quality was discussed in relation to Exodus's and its ground agents' duty of care to maximise positive economic, social and cultural and environmental effects of tourism in destinations. Plenary sessions enabled each of these issues to be discussed, which prompted debate and decisions as to possible actions. The conference enabled Exodus to communicate a range of issues with agents, and get immediate feedback and debate. It also allowed agents from all over the world to exchange ideas and working practices. This was such a success they plan to hold it on an annual, or possibly biannual basis.



Inntravel – letter to suppliers with sustainability guidelines

Inntravel has designed a letter to send to its accommodation suppliers, which describes the benefits of environmental initiatives taken at the head office and makes suggestions of actions that hoteliers can take. This has been translated into the language of all its suppliers. It is designed to be an awareness raising exercise, and will be supported by communications with suppliers by the RT officer via regional managers.

Exodus and Explore – porter seminars

Exodus and Explore run day seminars to train porters in RT issues. Exodus offers these in Morocco and Nepal, and Explore in Peru and Kilimanjaro. This includes information on the main environmental and social threats of tourism, the role of tourism in the area, leader, porter and client roles, best practices in RT and hygiene control.

Imaginative Traveller - demonstrating good practice

Tour leaders expressed concern at the amount of waste left by felucca passengers on the banks of the Nile, so Imaginative Traveller investigated the possibility of constructing permanent compost toilets on the bank. The destination authority did not give this project the go-ahead, so the destination manager proposed a simpler solution – portable toilet tents. Each toilet consists of a deep hole covered by a plastic squat toilet surrounded by a square tent with one opening side. They help contain waste and keep the banks cleaner, and give a powerful message to other local suppliers about the importance of keeping the environment clean.

The company also charters feluccas once or twice a year for tour leaders to collect and dispose of rubbish along the Nile. Since beginning this project, the company has found that local farmers whose lands are visited are much friendlier to groups, and the felucca crew are quick to speak to other sailors who leave rubbish.

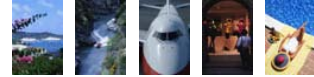
Sawadee - capacity building training in Kilimanjaro

Sawadee is planning to develop several new products in the Kilimanjaro area, after noticing that there is a gap in the market for culturally based products and mid-market priced accommodation. The development includes excursions to coffee plantations and farmers' houses, a small local restaurant, and a campsite (that will later become locally made huts). A business plan has been developed in cooperation with three different stakeholders: the Dutch development organisation 'Green Development Foundation', the local farmers' association 'KNCU' and Sawadee.

Within the Kilimanjaro area there is a lack of capacity and experience in tourism among the local people, and it is therefore difficult for them to start up these businesses by themselves. The partners are therefore developing a training and monitoring program and are jointly financing the development. Sawadee will obtain feedback from clients and tour leaders, and share this information with local management. Workshop training will be developed based on this feedback, in order to improve the product. This will be based on presentations, discussions, exercises and visits to the new sites, and will include product management and development, sustainability, tourist expectations, marketing, and hospitality.

Mass-market operators: most are planning to focus sustainability communication on guidelines/codes of practice, to accompany audits. These may be carried out by destination-based staff, which gives opportunity for ongoing support. Other companies may integrate basic questions into purchasing criteria.

There is currently limited evidence of operators communicating with suppliers on sustainability issues. Communication tends to focus on contractual agreements, and health and safety procedures (for UK operators in particular), complemented by resort or agency staff building up working relationships with suppliers regarding day-to-day service issues.



Many operators are beginning to feature the RT policy and additional information on the company website, to which suppliers can potentially be directed. Some also provide an email address for supplier feedback (Oad Reizen). Operators are likely to communicate the potential cost savings that can be achieved through environmental improvements in the accommodations sector, as these savings are easily defined and measurable. However, it was noted that going on to ask suppliers to improve employment conditions can then add to management costs (First Choice).

The initial focus is on developing award programmes (My Travel, Thomas Cook), manuals (TUI), and distribution of the forthcoming FTO codes of practice on accommodation, and wild and captive animal excursions (First Choice, My Travel, Thomas Cook). These codes of practice will be sent to suppliers in advance of the audit, possibly along with a health and safety code of practice on CD ROM. Destination based staff may deliver this training, which gives opportunity for ongoing support and dialogue.

Operators report it can be difficult to ensure suppliers read printed information, or complete checklist requirements (TUI, Oad Reizen). These companies therefore suggest that information is presented in an engaging format, and that the industry collaborates in delivering joint messages, in order to achieve maximum impact.

As many operators operate in the same resorts, share suppliers, and require similar improvements, there is opportunity to work together in raising supplier awareness. This could take the form of joint workshops, which destination based staff could run. This is considered a beneficial way to communicate with suppliers, who appreciate the opportunity to talk to a company representative, but the challenge lies in making sure that concrete action plans are implemented (TUI).

First Choice (UK and Ireland) & TUI (Netherlands) distribution of TOI accommodation manual

Both companies distributed the Tour Operator Initiative manual 'Managing environmental and social issues in the accommodations sector' to support the respective pilot environmental audits.



Communicate sustainability messages to clients

What to do? Raise awareness among clients and demonstrate why supplier sustainability performance is important.

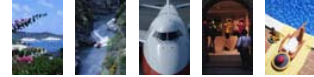
How? Guidelines, brochures, website, CD ROMS, DVDs, in flight DVDs, information briefings, newsletters, press releases, joint messages with NGOs/tourist offices, refer tourists to industry associations and/or NGO websites.

Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> • Provide guidelines in promotional material and pre-departure information. • Refer tourists to external sources of information such as the Travel Foundation, Tourism Concern or the Foreign and Commonwealth Office 'Know before you go' website. • Encourage reps/tour leaders to give background information on the destination, raise awareness of any particular issues and encourage appropriate behaviour. • Integrate basic questions on RT into Customer Service Questionnaires to identify areas of interest, concern and understanding of the issues. 	<ul style="list-style-type: none"> • Develop communication on sustainability for each 'customer touch point'. • Develop communication materials that appeal to specific market segments (such as comic illustrations for children). • Work with national tourist offices and NGOs to deliver common messages on the issues faced in specific destinations. • Work with campaigning/ industry organisations to produce video messages and/or web-based films to show clients pre departure/ on flight. • Communicate updates on the company's RT activities to customers post holiday (possibly by email). • Research customer awareness, and areas of concern to focus communication campaigns.

Market demand can be a principal driver for suppliers to engage in performance improvement, so it is important that clients are aware of the issues. Client communication of sustainability issues is therefore a key activity in the IRTP and PMZ frameworks. NGOs and charities can also play a key role in customer education (for example this is a key focus of Travel Foundation and Tourism Concern activities).

There are three stages of the holiday experience in which operators can communicate sustainability messages to clients, beginning with pre departure information in promotional material (brochures and websites), to printed/verbal/DVD information during the holiday, through to post holiday feedback by questionnaire or telephone call, and ongoing communication in the form of newsletters and promotional events (such as information evenings).

Operators can provide clients with guidelines on how to minimise negative impacts and maximise positive impacts on the environment, culture and economy. Communications could be focused on a specific issue with high impact in a destination (for example human rights, cultural or wildlife issues). It is advisable to use positive language, and reinforce the message with illustrations.



Effective client information can encourage meaningful feedback from clients, which gives insight into expectations, and how products should be developed. This can be a powerful force in influencing suppliers and destination authorities to take stronger actions to protect the destination. It is therefore important that tour operators give full information on the importance and relevance of sustainability issues, the actions that operators and suppliers are taking to address these issues, and how clients may wish to contribute.

Reinforcement of messages is critical, and can potentially add value, and reduce complaints. For example, clients may not notice a sign in bathrooms requesting that towels are only changed if they are left on the floor, or may not understand why it is so important. Printed information, which complements advice given by reps/leaders/guides, can play a crucial role in raising awareness. Operators could also work with hotels to include such information in hotel printed information.

The degree to which operators communicate RT issues to clients is dependent on the nature of the product, available resources and perceived market interest. The quality of feedback is also dependent on client interest and understanding of the issues. It may be difficult to gain detailed feedback, but basic questions can be addressed which can be gradually built upon over time.

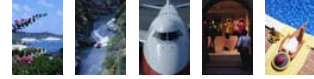
Specialist operators: all operators promote sustainability messages to some degree, and commonly differentiate products on this basis. Client guidelines are provided in promotional and pre-departure information, and tour leaders and/or local guides reinforce messages. Operators of tailor made trips are most likely to ask for basic client feedback on RT issues. Updates on the company's RT activities are included in newsletters.

Many operators have been supplying client guidelines for many years now. These generally include information on cultural etiquette, and environmental behaviour and are detailed in promotional literature such as websites and brochures and in pre-departure packs. They are mostly generic, and some companies also offer specific guidelines based on particular activities such as porter protection or wildlife viewing.

Most companies feature RT on the website, which typically includes client guidelines, the company's RT policy, the company's view of RT and details of its philanthropic contributions. One operator features articles on sustainability on the website (Discovery Initiatives). Most operators also direct clients to external information sources via website links (including AITO, ANVR, the Tour Operators Initiative, Travel Foundation, Tourism Concern, conservation bodies such as Conservation International or World Wildlife Fund for Nature).

Clients of more upmarket operators, based on wildlife or nature have often had in-depth discussions with sales staff about the destination, so are informed prior to departure about what to expect (Baobab, Naturetrek, Sunvil Africa, Tribes Travel). Tour leaders reinforce the guidelines during tours, and local guides (in some cases naturalist or wildlife experts) give local insights.

Operators also communicate sustainability to clients by for example sponsoring/providing information signs to not litter (Sunvil Cyprus) or about coral protection (Imaginative Traveller). However, in both these examples the operators have been forced to remove the signs, as the new destination authority, or resort management did not support them. This illustrates the problems operators can sometimes face in implementing sustainability initiatives.



Post trip, most operators ask clients to complete a satisfaction questionnaire, in which providers of tailor made products ask questions directly related to RT, or ask such questions through a post-trip telephone call (Audley Travel, Baobab, Discovery Initiatives, Intravel, Naturetrek, Sunvil Africa, Tribes Travel). These are very general questions, because even clients of very environmentally focused tours generally are said to have limited understanding of the nuances of RT (Sunvil Africa).

Although client interest in sustainability issues varies, especially in terms of willingness to pay a premium, operators report that clients are increasingly interested. This is primarily reflected once tourists are in the destination, and are able to directly appreciate the sustainability issues (Baobab, Naturetrek, Sunvil Africa). Many operators also send clients newsletters that give updates on the operators' RT activities, and some invite clients to presentations on the company's upcoming tours where they may give information on RT, or invite clients to become members of conservation organisations (Discovery Initiatives).

Discovery Initiatives - extensive information on sustainability on the website

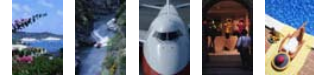
In addition to detailing the company's RT philosophy, policy and related actions, Discovery Initiatives feature informative and articles on sustainable tourism such as 'Sustainable tourism? Is it possible?' 'Picking up the bill' and 'guiding the challenge'.

Mass-market operators: many operators are focusing on developing printed information in travel packs, website information, and in resort representatives welcome meetings. There is a general desire for a greater understanding of customer interests and concerns, which may be achieved by market research and/or including some basic sustainability related questions in customer service questionnaires.

Operators give sustainability information to customers through representative welcome meetings and destination handbooks, in-flight magazines, or DVDs shown on chain airline flights (First Choice, TUI). Operators are currently developing pre-departure information through the redesign of ticket packs, which can potentially include more destination specific information. This is seen as an important tool to prepare customer expectations' prior to arrival, and therefore reduce complaints (First Choice, My Travel).

All UK operators plan to train overseas representatives to communicate sustainability to customers. Operators also offer excursions accompanied by a local guide, who gives information on the local area (First Choice, Thomas Cook). Dutch operators (Oad Reizen, TUI) communicate information through printed leaflets, DVD and rep meetings on specific projects such as ECPAT (End Child Prostitution and Sex Trafficking) and the purchase of illegal souvenirs (based on WWF Netherlands activities).

UK operators invite customers to make a donation to the Travel Foundation at the time of booking through shops or call centres (First Choice, Thomas Cook, My Travel – forthcoming). Information will also be communicated at the point of sale in retail shops, using Travel Foundation materials (First Choice). Customers are only perceived to have a basic interest in sustainability, and therefore brochures only include a short description of the Travel Foundation in the back pages (First Choice, Thomas Cook, and forthcoming in My Travel brochures).



UK operators are considering the value of highlighting properties with recognised environmental standards or destination specific activities in website and/or brochure information, and are planning market research to help identify customer interest in these issues (First Choice, My Travel). Previous research has suggested that Dutch customers are not interested in information on property environmental standards, so sustainability is considered as part of quality, rather than actively promoting it to customers. A short text is included in the front pages of brochures about sustainable tourism (TUI).

Operators generally consider website communication more cost effective than adding to brochure content, is flexible and allows customers to access the level of detail they are personally interested in. As electronic bookings are developed, it was also suggested that customers could be emailed with RT tips (My Travel). TUI has significant RT information on the website which is regularly updated and includes information on environmental activities and achievements, policy reports and checklists, articles on sustainable tourism, links to partner websites and an email address for customer feedback.

Operators considered that it could be useful to incorporate basic sustainability questions in CSQs to raise awareness and identify areas of customer interest, and level of understanding (First Choice, My Travel, Thomas Cook). It was recognised that questions would need to be carefully worded to suit limited customer awareness and understanding of the issues.

First Choice (UK and Ireland) - Retail shop and in-flight video sustainability messages

First Choice is developing a communications campaign in retail shops through displaying Travel Foundation posters and strut cards, and distributing destination specific 'insider guides'. It also gives short messages on how to reduce environmental and social impacts in destinations through an in-flight company video. This was designed to be short and presented with other useful information on what to expect on arrival and health and safety matters, since research identified that customers tended not to watch a longer video.

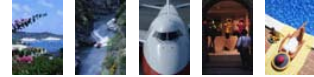
Thomas Cook (UK and Ireland) – Excursions with a RT theme

Thomas Cook raises awareness of environmental and cultural issues among customers in destinations through its excursion and entertainment programme. For example in Malta local excursions provided by the Malta Tourism Authority are offered such as firework displays and beer festivals. In Cyprus tours are offered to mountain villages and beauty spots with a donation towards local sustainable tourism activity and in Haldidki the company works with the Turtle Protection Society to promote responsible turtle spotting.

TUI (Netherlands) - Green Thumb logo

In 2000 TUI introduced a logo designed to demonstrate to customers the information gathered about environmental performance of accommodation suppliers. The company piloted it for one season by displaying a 'green thumb' in selected brochures next to accommodation suppliers who had positively scored on environmental criteria. The company expected that it would trigger conscious customers to choose accommodation with good environmental performance, but in fact, reactions were negative. Customers didn't trust a logo without independent certification, thought the hotels would be more expensive, and expected the level of luxury to be less. The company therefore withdrew the logo.

Ongoing research has found that customers prefer more sustainable products, but do not want them to be labelled as such - so sustainability is now packaged as part of quality. All summer 2006 brochures of mainline TUI brands will include half a page on sustainable tourism, and properties with ecolabels will be recognised in the accompanying text, but logos will not be displayed.



TUI (Netherlands) - promoting RT in Curacao and Bonaire

This project was created in 1998 in the framework of the United Nations Year of the Ocean, and aims to provide customers with information on RT and sustainable products at various stages of their holidays, and to promote well-informed choices for more sustainable island holidays. Information is provided in brochures, tips are provided in the voucher booklet that includes the air tickets, a video is shown on sustainable excursions and project activities by KLM (a project partner) during the flight, holiday representatives introduce guests to the excursions and activities available, and a resource book in hotel lobbies directs guests towards further sustainable excursions, activities and attractions.

A key tool for disseminating RT tips is a flyer that encourages guests to 'Enjoy our lovely islands but help us to keep them intact for future generations'. The flyer provides best practice tips for the tourist and also information on the attractions, dive operators and hotels participating in the project. The flyers are available in hotels and other distribution points such as dive shops. Participating partners have also received a certificate which lists the standards it has committed to which they can use in their own marketing material. This two-way approach of information and improvement appears to be successful in convincing tourists of the need to make sustainable choices while enjoying their holidays and also convincing local hotels and attractions to improve performance. The project has since been extended to other Netherlands Antilles islands.

Communicate sustainability messages to staff

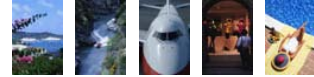
What to do? Raise awareness among staff and demonstrate why sustainability performance is important.

How? Staff induction, on the job training, presentations, CD-ROMS and DVDs, workshops, roles and simulations, manuals, business cases, information-technology based learning, operating procedures, coaching and mentorship, newsletters, intranet, e-mails, games, quizzes, idea boxes, notice boards, attachments to payroll, appraisals.

Recommendations

Minimum	Desirable
<ul style="list-style-type: none"> • Increase awareness and maintain commitment by communicating sustainability strategy to staff at all levels, and reporting achievements. • Introduce the company's RT strategy in staff inductions and recruitment procedures. • Integrate training packages produced by external organisations into training /awareness raising programmes. 	<ul style="list-style-type: none"> • Provide written guidelines for how each job role (purchasing, contracting, operations, marketing, sales, recruitment) can integrate sustainability considerations. • Integrate responsibilities for sustainability management into formal job descriptions.

Staff awareness of sustainability issues throughout the company is important to increase understanding and of the impacts caused, and what their contribution can be. General awareness raising to all personnel on sustainability issues is necessary, and preferably, specific training could be offered for differing roles in the company.



This is recognised in the IRTP/PMZ frameworks, which offer training in modules which include areas of impact, RT strategy, RT policy, client communication, internal management, product development, supply chain management, contributing to destinations, and purchasing. These are currently completed by the RT coordinators, and are under development to provide online modules directed at specific roles within the company (such as marketing, product and purchasing managers) as part of the Tourlink project. AITO also offers individual and workshop training to its members on how to develop and implement RT policies and practices.

Training can take place as part of the induction programme, and staff development. A range of methods can be used to introduce training, ranging from communication by email to workshops. Operators can choose a style of training and material that is appropriate to company size and resources, and balance formal, structured communications such as meetings and manuals, with informal surveys and quizzes.

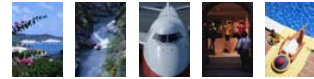
Specialist operators: most emphasis is on tour leader training and internal management training. Other communication tends to be informal and there is little evidence of structured integration of sustainability responsibilities into job roles, although staff are said to have a good understanding of the issues through their background in developmental/environmental issues.

The small size of most specialists enables an informal style of communication. Communication on the company's RT policy and associated activities tends to occur in staff inductions and thereafter informally. Some operators also produce RT newsletters, which are primarily designed for external marketing purposes, and circulated to staff. The greatest emphasis is on tour leader and internal management training, which is a commitment in the IRTP/PMZ frameworks, and for AITO RT classification. One company has further formalized the process through ISO 14001 certification (ATG Oxford).

Operators place particular emphasis on training tour leaders (Dragoman, Eurocult, Exodus, Explore, Imaginative Traveller, Kumuka, Sawadee, SNP, VNC), as leaders are responsible for implementing policies on the ground. Significant variation was found in the length of training, ranging from a few days to three months. Modules include client care and communication skills, health and safety, sales, administration and insurance. Operators also cover RT issues such as client behaviour, waste control, energy and water consumption, local purchases, fair distribution of tips, animal and plant life conservation in protected areas, conservation of cultural heritage, and local projects.

Some companies are in the process of developing more detailed leader guidelines (Dragoman, Explore). All operators encourage feedback from leaders/guides either by telephone or email, at the head office on their return (Naturetrek), at annual conservation board meetings (ATG Oxford) or more formally through leader questionnaires (Explore). Operators generally monitor tour leader performance through these feedback sessions, by questions in the tour leader audit related to how the tour was conducted (Explore), or by client feedback which in some cases directly asks clients to comment on the leaders' approach to sustainable tourism in satisfaction questionnaires (Imaginative Traveller).

There is little evidence of staff training in integrating sustainability considerations into other job roles. Operators commonly stated that this is not often required as personnel have strong environmental/social development backgrounds and destination expertise, and RT is considered throughout company operations.



Dragoman - tour leader training

Dragoman's tour leader training is held over three months. This is on a full time basis, with basic pay, and staff have opportunity to stay on site. Training is held in a workshop and in the company offices, and includes truck servicing, sales, insurance, paperwork, and responsible tourism information. It is delivered by the operations team, and other representatives across the company. This in-depth training is considered vital for leaders to lead a quality, safe and successful overland trucking experience.

ATG Oxford - ISO 14001 certification

The company gained ISO 14001 certification in 2004, and is currently the only UK tour operator to have received this environmental management standard. This provides a framework for the company to monitor and measure its impacts on the environment at every level of the organisation. It increases the company's awareness of impacts and legal requirements, and creates a framework for monitoring impacts and making improvements in performance.

External audits are conducted annually, as a basis for continual improvement. Activities are currently focused on head office operations, and will be developed to address its supply chain. ATG feels that the ISO certification not only helps the company realise its objectives, but also raises consumer confidence in the claim of being environmentally responsible.

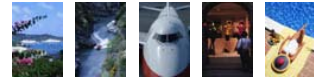
Sawadee - informing product managers and tour leaders

Product managers will have a responsibility to include a specific eco-tourism or community based tourism product on each tour. They also have to inform tour leaders and clients about sustainable tourism. For each specific destination, the product managers have included practical information in the tour leaders' manual, such as how to behave in national parks, photography, littering etc. Sawadee has noticed that tour leaders are very interested in the issue of sustainable tourism and are therefore planning to develop a guidebook for tour leaders in cooperation with other organisations. This will focus on several aspects of sustainability with a number of practical guidelines.

Mass-market operators: all operators are involved in communicating sustainability issues through the company, and are interested in the development of training materials for job specific functions. Communication is based on the intranet, workshops and meetings.

All operators interviewed found it important to communicate sustainability throughout the company, in order to raise awareness of company strategy, and encourage employees to consider how environmental issues affects daily functions in all areas of business both in the UK and abroad. A current priority among all operators is to develop programmes and awareness raising activities of head office environmental practices. This is expected to focus on email communications, intranet information, posters and signage. In one case, formal training is delivered as part of an environmental management system (First Choice).

The intranet is seen as a key communication tool, and commonly features the RT policy, updates on activities, and an email address for staff feedback. Companies run informal surveys and quizzes on green issues (First Choice), awards for suggestions for improved company practices (Oad Reizen), and features in staff magazines (TUI, Thomas Cook–forthcoming). Operators are integrating communication on the company's sustainability strategy into induction programmes, which includes presentations and exercises (First Choice, Thomas Cook–forthcoming), or incorporation into online induction modules (My Travel–forthcoming). It was also considered beneficial to include information in recruitment processes through company literature, or in discussion of company operations (Thomas Cook UK).



Operators are also developing RT training for specific job roles, currently focused on product manager, overseas representative and retail training (First Choice, TUI). All operators are interested in the development of function specific online training materials as part of the Tourlink project. Some companies are also developing environmental guidelines training for contracting newly built properties (First Choice).

Most operators have established training procedures, with considerable opportunity to incorporate RT information. Such training can be incorporated into conferences, departmental workshops, online modules, CD ROMS, DVDs or paper based packages. Some operators have learning resource centres where staff can directly access material, or arrange for it to be sent overseas (Thomas Cook). Operators give in depth training to resort representatives and consider there is significant opportunity to integrate modules on RT.

Training is delivered both in the UK and resort, and includes modules such as customer care, sales, incident reporting, administration and property inspection. Operators have in some cases worked with external organisations such as Tourism Concern or the Travel Foundation to develop generic training guidance notes (First Choice, Thomas Cook). UK operators interviewed plan to use the resort representative training DVD recently produced by the Travel Foundation (First Choice, My Travel, Thomas Cook).

A challenge in developing training materials was perceived to be providing practical steps, as it can be difficult to change perceptions and current work practices. For example, the integration of sustainability considerations in the purchasing/contracting process demands considerable time. This highlights the need to ensure staff have a clear understanding of the potential benefits of the RT strategy, and steps are introduced on a phased basis (Oad Reizen).

First Choice (UK & Ireland) – staff awareness raising

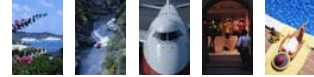
The company is developing a communications campaign to head office, retail and overseas staff on sustainability issues. This has included running a green travel survey, running work streams for the implementation of environmental management in the head office, and raising awareness of the Corporate Social Responsibility report through posters, the intranet, staff magazines and 'work in partnership' meetings with managers.

In the summer of 2003 overseas representative took a training module developed jointly by First Choice with Tourism Concern. The key objective of this was to educate staff to recognise and communicate environmental and social issues at the destination. This is included on area managers' overseas manuals to deliver during overseas resort training, and will be developed as more industry based materials become available.

Oad Reizen - staff awareness raising and award programme

Oad Reizen uses a logo of a green apple on all its environmental information for clients and staff, and green apples are given to staff at internal presentations so as to reinforce the message. The RT manager gives presentations on the company's RT policy to product managers, retailers and all new staff at inductions sessions. A special series of sessions are run for product managers informing them on the implications of the inclusion of environmental criteria contractual conditions, how to act with suppliers and what can be achieved.

All staff are encouraged to actively contribute to sustainability activities by offering a yearly prize to the person who comes up with the best idea on how the company can improve the way it operates. Past suggestions have included reducing paper through printing RT tips on the back of customer voucher booklets rather than on a separate leaflet, and printing travel agency invoices in a smaller font so it fits on one piece of paper. The suggestions do not all need to be serious, as the idea is to encourage communication on the issues and have fun at the same time.



TUI (Netherlands) – product manager training

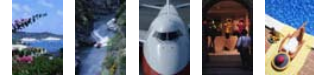
The RT manager at TUI is developing an intranet site on which product managers will be able to find suggestions for how to create sustainable tourism products in particular destinations. Basing this information on the intranet means that it is flexible and can be easily updated, and the information/product knowledge will not be lost if a staff member leaves. Whilst the site is being developed, information is distributed by email.

The site will give information on the sustainable tourism policy and supplier selection requirements, and suggestions to create more sustainable products. This is expected to save a lot of time in staff individually researching information, and give a deeper appreciation of sustainability issues, rather than just following a policy that employees may not fully understand.

In the future it will also detail sector specific sustainable tourism policies, such as for winter sport or summer sun. When the product managers have a good understanding of the issues, the company will work out a strategy and action plan for them to communicate sustainability to incoming agents, and the role they can take in improving supplier sustainability.

TUI (Netherlands) - developing knowledge for tomorrow's employees

TUI has links with the NHTV University for Professional Education in Tourism, Transport and Leisure, which helps it to prepare students for tour operator employment, and can employ graduates that are already familiar with the company. Students can choose to be part of the annual TUI class, and do internships in different departments. TUI develops knowledge on sustainability by employees giving guest lectures about how TUI deals with the issues, and offers a prize for the best thesis on sustainable tourism.



2.2 Provide technical support on sustainability actions

What to do? Support suppliers in improving sustainability performance, particularly in priority areas.

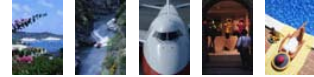
How? Promotion of award/ecolabel/certification schemes, links to local and international advisers, on-line information, investments, prepayments, printed material, dialogue, training, checklists, audits and questionnaires.

Operators can play an important role in supporting suppliers by disseminating standard supporting information, or offering assistance on an individual basis with priority suppliers (based on the volume of business and operational requirements). It may also be appropriate to advise suppliers about local or international funding bodies aimed at improving business performance linked to sustainability.

Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> • Identify and promote links to local and international sources of support for suppliers (industry associations, national tourist offices, NGOs, ecolabel/certification schemes). • Determine where technical support is needed and establish targets for improvement. 	<ul style="list-style-type: none"> • Identify and develop the most appropriate and effective technical support tools for suppliers (printed material, workshops, dialogue, training, checklists and questionnaire, online information, support services). • Invest in trusted business partners' projects which directly/indirectly improve sustainability.

Operators can also direct suppliers to external sources of information/support as they reduce supplier dependence on operators for performance improvement advice and may offer a stamp of recognition to use as an incentive for engagement. Sources include:

- The Tour Operators' Initiative (for support guides for the accommodation and marine recreation sectors)
- The Travel Foundation (for accommodation and wildlife/captive animal guides)
- AITO (for support in the RT suppliers programme)
- International certification bodies (ISO 14001, EMAS, Green Globe 21, VISIT, EU Flower)
- National certification bodies (numerous, including Costa Rican Certificate for Sustainable Tourism, Fair Trade in South African Tourism)
- Classification/promotion bodies (the Green Travel Market, responsibletravel.com)
- Sustainability information sources (the International Hotels and Environment Initiative, Green Hotelier, the Caribbean Alliance for Sustainable Tourism)
- Benchmarking tools for accommodation sustainability (benchmarkhotel and tourbench)



- Non Governmental Organisations (World Wide Fund for Nature, Conservation International, Tourism Concern, Green Development)
- Local environmental experts and initiatives, green purchasing bodies or local business associations
- National/international government funding/incentives such as rebates and tax breaks.

Specialist operators: technical support is mostly offered through informal dialogue, due to operator and supplier resource limitations.

Operators give advice and support on an informal basis to suppliers due to limited operator and supplier size, capacities and resources. Support is generally given to suppliers by head office contact or by tour leader/research staff in destinations and focuses on explanation of the company's RT policy, discussion of issues raised by leaders or clients, or product/service requirements.

Most operators indicate that they have always explained, or demonstrated the basics to suppliers in destinations where awareness is low. Even where suppliers are aware and proactive, operators find that suppliers are often limited by resource and capacity restrictions. For example, it was commonly stated that many suppliers are too small to apply for certification/ecolabel programmes, or they do not cover the countries operators do business in. Operators commonly expressed confusion at the number of schemes available and would like to see some resolution to this.

Greatest interest was found to be in the development of specific supplier guidelines (Dragoman, Eurocult, Guerba, Imaginative Traveller, Inntravel, Sawadee, SNP, The Adventure Company, VNC). Some are also interested in running workshops (see the case study of Sawadee in section 1.2).

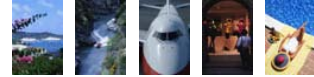
Most operators state that resources are too limited to engage in technical assistance or investment programmes. A few operators (Explore, Imaginative Traveller, Sunvil Africa) have made prepayments to suppliers to provide services the operator needs (in all cases these are related to transport), and while these are based on business requirements, they indirectly benefit sustainability.

Imaginative Traveller - prepayments that benefit quality and sustainability

Imaginative Traveller has made prepayments that it deducts from trip payments to an entrepreneur in Turkey to buy vehicles to set up a business. This avoids using the services of a large bus company and benefits Imaginative Traveller through the assurance of a reliable and personal service. It also benefits sustainability development by injecting extra income into the local economy. The operator has also invested in a boating company on the Nile to convert the boats' engines so they do not pump waste out into the river. This ensures that clients receive a higher quality experience, and pollution is minimised.

Guerba - Kenya operations

Guerba set up operations in Kenya in 1990 since it had a significant volume of business in the area and it was easier to get trucks registered and the appropriate licenses if a company was formed. It only employs Kenyans and there is no expatriate personnel employed. The provision of jobs and training is an important contribution to the area. All employees are on employment contracts, provided with health insurance, and trained on the job to reach managerial positions. The company also provides financial support for safari guide training.



Naturetrek - consulting with lodge owners and providing basic equipment

Naturetrek consults with lodge owners and other locals in areas such as India, Ethiopia and Nepal, where governmental control or planning is weak, and therefore threatens the long-term sustainability of area. The company explains that if development mushrooms, the area will no longer be attractive, so it is important to try and spread development to new areas to spread both the impacts and the benefits. They then actively work with suppliers to identify new areas and appropriate forms of development. The company also donates disused binoculars and telescopes to field guides in destinations where these resources are needed.

Mass-market operators: do not currently give technical support on sustainability issues, but use suppliers that can receive this support through certification programmes. There is potential to deliver joint workshop training on sustainability.

Most technical support focuses on workshops designed to address health and safety standards (First Choice, My Travel, Thomas Cook). Operators have significant opportunity to run workshops to deliver RT messages through working together with industry partners, and delivering similar training to that of resort staff. Operators can also run workshops in collaboration with NGOs and governmental agencies (TUI).

In many cases, operators often work with large accommodation chains that proactively seek international certification, and therefore need less support (First Choice, My Travel). It is expected that suppliers with credible certifications would not need to be fully audited on environmental issues, but as social certification programmes are less developed, are still likely to need to be audited on this area (First Choice).

UK operators engaged in the FTO accommodation and wild and captive animal excursion audit pilots, plan to send guidelines in the form of a code of practice to suppliers in advance of audits (First Choice, My Travel, Thomas Cook). No evidence was found of operators providing pre payments for sustainability initiatives, but this is a potential activity, particularly in the case of chain owned and key suppliers.

My Travel (UK and Ireland)– health and hygiene workshops

My Travel works in conjunction with the FTO to deliver food health and hygiene workshops in destinations where standards are low. Suppliers tend to not contract staff, and replace them, rather than provide sick leave. Such workshops can therefore potentially reduce staff sickness and resulting high staff turnover, which contributes to social sustainability.

TUI (Netherlands) – destination workshops in collaboration with NGOs and governmental agencies

TUI is involved in destination projects to increase awareness of the requirements of sustainable tourism among local governments, organisations and businesses. The RT manager generally gives workshops and/or informally chats to the organisations and businesses about what sustainable tourism is, and what they can actually do. Local people are reported to appreciate the opportunity to directly talk to someone from the company about sustainability. It is also a good opportunity for the RT manager to assess current levels of sustainability awareness in order to know what can be expected of suppliers, and to provide feedback for product managers to guide supplier selection processes.

For example, it has recently worked on a project in Bali with the regional environmental department, and incoming agents. This project was funded as a result of the terrorist bomb, and recognition of the need to plan the future tourism strategy of the country. It has also held workshops in Costa Rica in collaboration with the Rainforest Alliance for contracted and non-contracted accommodation suppliers on sustainability, checked properties, and gave feedback.



2.3 Offer incentives to sustainable suppliers

What to do? Build support for the sustainable supply chain strategy by recognizing and rewarding suppliers for improvements on key environmental, social and economic issues.

How? Promotional opportunities, certificates, awards, events, performance goals, risk of demerit, preferential contracting, favoured status in system searchers, higher rates, longer term contracting, committed guarantees.

Recommendations

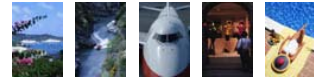
Minimum	Desirable
<ul style="list-style-type: none"> Ask suppliers if they have received any awards or are involved in any activities that could be highlighted in promotions. Research award and ecolabel programmes that suppliers can apply for. 	<ul style="list-style-type: none"> Use assessment criteria to design a reward programme for suppliers that engage in sustainability improvement programmes.

Incentives and rewards can play an important role in gaining supplier support and commitment to sustainability improvements. Suppliers are more likely to take action when they feel that operators notice the efforts. Incentives can take a ‘carrot or stick’ approach by rewarding improved performance (carrot), or setting performance goals with risk of demerit (stick). The chosen approach depends on the nature of the operator, the supplier, the product and the destination. A gradual approach to implementation can be adopted based on supplier sector, product type, destination or area of impact.

Specialist operators: do not currently use incentive schemes due to limited operator and supplier resources and capacities and the informal nature of the relationship. Maintenance of long-term relationships acts as an incentive.

Smaller specialists were not generally supportive of ‘stick approaches’, since the level of supply is often too restricted to risk alienating suppliers. It was expressed that suppliers should not need to be ‘bribed’ into good performance, but chosen on the basis of good practices, and operators generally try to do business with suppliers that share the same philosophies (Baobab, Imaginative Traveller, Sawadee, Sunvil Africa). Larger operators (Exodus, Explore, The Adventure Company) stipulate demands through including sustainability requirements as a contractual condition, but do not preferentially contract on this basis.

No operators currently use incentives as a reward for improved sustainable performance. Most consider that such tools could only be used if there were sufficient supplier availability, supplier awareness and interest in sustainability issues, local governmental support, facilities and infrastructure, and the operator had considerable business with that supplier. However, maintenance of close, long-term relationships is seen as an incentive for suppliers to improve performance.



Some operators (ATG Oxford, Audley Travel, Exodus, The Adventure Company) stated that in the longer term they might consider award programmes, but only when a deeper understanding had been gained of suppliers to ensure the credibility of the programme. It was generally felt that identifying and rewarding suppliers for good practice is at this stage resource intensive and complicated, and companies want to first focus on knowledge building and awareness raising activities.

Only one operator was found to highlight 'eco' suppliers in promotional materials (Trips Worldwide), although no information is given regarding the criteria for this award. Other operators (Exodus, Sunvil Africa) highlight suppliers that have won external awards, which is argued to carry much greater prestige than a small operator based award (Sunvil Africa).

Trips Worldwide - internal eco - symbol programme

Trips Worldwide highlights properties in its brochure with an 'eco' symbol for best practice. This is not based on specific criteria, but on built up informal knowledge of the suppliers' environmental commitment. The company reports that clients value the identification, but feels that it could make more suppliers aware of the possibility of being awarded with the symbol.

Exodus and Sunvil Africa - promotion of external awards

Exodus promotes two of its suppliers which have won external awards: Mongolian Adventure which received the PATA Green Leaf Gold Award for ecotourism 2002, and Peru Explorer has received the best travel agent award by the Peruvian Ministry of Tourism for the past three years.

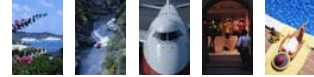
Sunvil Africa features Kawaza Village in Zambia and Damaraland in Namibia, which have won the Silver Otter award, and Chumbe Island off Zanzibar, which has won the British Airways Tourism for Tomorrow award.

Mass-market operators: most are most interested in an incentive approach, based on support for internal and external awards/ecolabel/certification schemes. Contract renewal acts as an incentive to suppliers.

All operators expressed a preference for an incentive approach, since they felt it important to be able to demonstrate that head office operations provide an example of best practice before imposing strict standards, and were also concerned at alienating suppliers that are already subject to strict health and safety requirements (My Travel, Thomas Cook). Although it was commonly recognised that sustainability issues could not have the same 'stick' as regulatory health and safety requirements, it was felt that suppliers could be given a similar time-scale for improvement, on the understanding that they may be withdrawn from the programme if standards are not met (First Choice).

Operators are commonly interested in identifying suppliers that have received external awards/certifications, to highlight these properties in promotional literature. It was considered that these could be featured on websites (Thomas Cook) or in brochures (My Travel). Collection of information on current engagement in such programmes was considered relatively simple to collect through existing monitoring systems such as property information or health and safety checks (First Choice, My Travel, Thomas Cook).

Award/ecolabel/certification programmes were considered useful to motivate suppliers, demonstrate operator support for programmes, and possibly provide spin off benefits through providing more information to assist customer choice (My Travel, Thomas Cook). It was felt that internationally recognised programmes provide a credible and reputable tool, and that while national ecolabels are honoured, international labels recognised by VISIT and the EU Flower are preferred (TUI).



Operators also run internal award programmes on sustainability performance (First Choice, Thomas Cook). It was noted that suppliers have been seen to exhibit RT awards certificates from Nordic operators (My Travel), and display awards for high customer satisfaction in hotel lobbies (First Choice), suggesting that suppliers perceive value in such awards.

Since operators carefully monitor areas such as customer satisfaction, health and safety and property information, and have award programmes in place for properties that consistently score well on service levels, it was considered relatively simple to set up a sustainability award programme. In cases where suppliers are responsible for application, responses are verified through performance in other monitoring procedures (Thomas Cook).

My Travel (UK and Ireland) – development of My Travel Northern Europe’s ‘50 steps towards a good environment’ award programme

My Travel is currently designing a system to capture information on good practices and current awards in its accommodations, based on My Travel Northern Europe’s ‘50 steps towards a good environment’ programme. The exact detail to be presented in brochure will be based on perceived brand interest, but may include use of logos that are cross-referenced to a summary in the introductory pages. This is seen as a tool to motivate suppliers to improve performance and to give extra information to aid customer choice.

Oad Reizen – plans to feature environmental information on suppliers on the Internet

Oad Reizen realises that it is difficult to force suppliers to change unless they perceive a distinct business benefit, or business risk from not integrating environmental considerations into business. Its strategy will therefore be to encourage suppliers to want to improve performance by featuring environmental information for properties on the company web site. They believe this will highlight the importance of the issue to suppliers, and encourage good practices through the incentive of increased promotional opportunity.

Thomas Cook (UK and Ireland)– RT award for hoteliers

Last year Thomas Cook launched a RT award to raise hotelier awareness and recognise the partners that perform best in areas like waste disposal, recycling, energy sources and the use of chemicals. The winner was awarded at the annual company ‘Marque of Excellence awards’. The specialist division ‘Neilson’ has also recently run an award programme for ski specialists. Both of these awards are based on a 20-step questionnaire which suppliers complete, and responses are verified through knowledge on supplier performance collected on contracting and health and safety audits. The company reports that they have been very pleased with supplier response, and will now extend the award to all suppliers that meet the defined standard.



STEP 3: INTEGRATE SUSTAINABILITY INTO SUPPLIERS' CONTRACTS

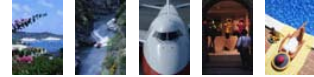
It can be beneficial to address sustainability issues at the contracting stage in order to assure suppliers' cooperation, and give the operator greater leverage to influence supplier activity. Integrating sustainability into contractual conditions by asking suppliers to meet the company's RT policy both highlights the issues to suppliers and demonstrates company commitment to the policy.

Recommendations	
Minimum	Desirable
<ul style="list-style-type: none"> • Establish minimum performance standards that can be included in contracts, which are flexible to different types of supplier and destination. • Develop and agree on an internal approach and procedures for implementation of sustainability performance as contracting criteria. • Draft contractual clauses to reflect performance requirements and consider legal issues that may arise from their incorporation into contracts. 	<ul style="list-style-type: none"> • Include basic adherence to the company's RT policy in the contracts to raise awareness and commitment, with more detailed criteria as an optional extra which suppliers are encouraged to achieve. • Advise suppliers of the change to contractual conditions, and set a timeframe for any necessary changes to be met. • Offer support to suppliers in reaching the sustainability standards necessary to meet contractual conditions. • Monitor and evaluate results as part of regular assessments. • Establish procedures for non-compliance, such as suspending contracts.

Whilst the standards need to be set sufficiently high to represent real achievements, they also need to be flexible enough to accommodate varying local socio-economic and environmental conditions among different destinations and types of suppliers. When introducing contractual conditions, operators may prefer to begin by setting basic minimum standards, such as agreeing to cooperate on sustainability issues. Over time, further optional criteria can be added that suppliers are encouraged to achieve.

It is important to address, and inform, suppliers of what actions will be taken if they are found to be in breach of contract. It is also necessary to develop efficient assessment procedures that can verify that contractual criteria are satisfied to ensure validity of the criteria.

Specialist operators: some operators do not use contracts. Where incorporation of sustainability criteria is included, it involves adherence to the company's RT policy. Most currently consider this approach too formal and restrictive.



Some small specialist operators do not contract with suppliers as they do not specify particular suppliers, but provide flexibility in the programme and choose suppliers according to each specific tour's needs. These operators feel that contracts are too binding, too risky and cannot cover all eventualities. They prefer to build up a relationship based on trust with suppliers whereby there is a deep understanding of the service that is expected, and in unforeseen circumstances suppliers will take appropriate actions, rather than only adhere to contractual agreements.

Other operators prefer the security of contracting, to ensure availability and for insurance purposes. However, they are wary of including sustainability criteria due to the often-limited nature of supply, or risking alienating suppliers. Most operators report that the informal nature of the relationship, limited supply availability and supplier capacity means that it is unlikely that they will include sustainability as a contractual condition. Only the larger specialists (Exodus, Explore, The Adventure Company) therefore currently include sustainability criteria in contracts, which basically involves following the company's RT policy.

Exodus, Explore, The Adventure Company - sustainability criteria in contractual conditions

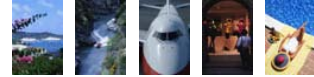
Exodus, Explore and the Adventure Company require suppliers to adhere to a basic RT policy in contractual conditions. Criteria typically includes the preferential use of locally owned and run services, working with business partners to ensure that sustainability issues are addressed, minimising energy, water and waste, client information, using local operators and guides, respecting carrying capacities, and respecting animal welfare. Optional criteria may be added depending on the area of operation and type of trip.

The criteria were designed through consultation at a managerial and directorial level, and with staff with responsibility for supplier issues. Exodus also sought external consultancy advice. All the companies continue to work with suppliers to meet necessary standards, and have not had to stop working with suppliers for any of these contractual reasons. By adding sustainability into contractual criteria the operators feel it focuses on suppliers on the standards they want them to address, and do not report that it has had any legal implications.

Mass-market operators: dutch operators have begun to incorporate sustainability criteria. The UK market generally felt that this should be introduced in the longer term, following the establishment of communication and monitoring procedures.

It was generally felt that operators need to have a clearly defined RT strategy, clear internal and external communications on sustainability and monitoring/enforcement procedures before criteria can be enforced in contracts. From a purchasing/contracting point of view, great pressure exists to contract a large number of properties in a limited time, at a good rate, and there is therefore some concern at introducing more stringent conditions.

FTO members are currently discussing the introduction of processes and procedures to integrate addendums in property contracts on sustainability criteria and the ECPAT code. It is felt that implementation is best phased to provide time to explain criteria to suppliers, set up monitoring procedures, and offer support tools to meet the new requirements.



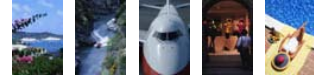
Oad Reizen – integration of environmental and ECPAT criteria in contractual conditions

Oad Reizen prints its environmental statement and aims on the backside of the contract, and requires suppliers to act according to this policy. A second clause relates to compliance with the ECPAT code of conduct. This initiative was introduced one year ago and the company states that this has raised the awareness of suppliers, and the priority is to now work on translating the requirements into practice.

Time and awareness raising is required to inform product managers of the new considerations in the contracting process, rather than focusing solely on price. The company is supporting this initiative with a checklist, as it feels that this is a practical way of actually getting information from suppliers.

TUI (Netherlands) – sustainability contractual clauses

Clauses relating to sustainability were removed from contracts when the TUI Group underwent some restructuring, and the operator is waiting on the approval of new group clauses to introduce into contracts. Contracts for accommodations and incoming agents will include a clause referring to a breach of contract regarding criminal acts (including ECPAT issues). The company hopes that this will further strengthen the signal to suppliers to take sustainability issues seriously.



CONCLUSIONS AND RECOMMENDATIONS

Sustainable supply chain management is key to ensuring tour operators can behave responsibly, and meet corporate social responsibilities. This report applied the methodology developed by the Tour Operators Initiative, and adapted within the Tourlink report, to work with suppliers towards better sustainability performance. The methodology has proved applicable to a range of types of tour operators, both from the UK and the Netherlands, and this report will inform the application (including training) of this methodology.

While there are examples of all steps in the policy being implemented, there are few operators that have done it in a systematic way. Expecting operators to follow the given steps as a procedure might be unrealistic, and different companies will find themselves having to go back to earlier steps that they had not recorded, or sufficiently fulfilled. In this respect the lessons learned from the research suggest assessment procedures for tour operators (PMZ/IRTP and other) should be enabling, rather than punitive, beyond the basic minimums set in the recommendations.

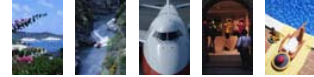
It is also the case that operators may implement initiatives according to key suppliers, products, impacts or destinations. The setting of policy, assessment, communication or support initiatives may therefore vary in the level of detail across the business activities. For example, specialist operators currently focus on the management of tour activities, while mass-market operators focus on accommodation, and more recently, excursions. It cannot be expected that every operator follows every step, the approach is more focused on prioritisation and flexibility according to the individual circumstances of each operator and its suppliers.

There exists greatest interest in improving internal management performance in order to be able to demonstrate the benefits to suppliers, and to gain a greater understanding of impacts through supplier assessment. It is to be expected that operators will progress at different rates in the implementation of supplier sustainability, depending on current levels of performance and the level of resources dedicated to ongoing development plans. The nature of supplier capacities and resources, and the relationship in terms of operators' ability to influence change, will also affect the outcome of any work with suppliers to improve sustainability.

Ultimately, much depends on top-level commitment and staff buy-in in both operator and supplier businesses to developing sustainability of operations. This requires a pioneering outlook to pushing strategy forward and a long-term outlook to business success. This report demonstrates increasing operator awareness of the value of supplier sustainability in business development, and it is the companies which act to influence market attitudes, in advance of legislation, that have most to gain.

CREATE A POLICY

Develop RT policies that provide clear procedures, standards and recommendations for environmental, social and economic sustainability performance in each supplier sector. This includes accommodation, excursions/activities, ground agents, food and crafts and destination facilities and infrastructure. Communicate them to staff, suppliers and customers, and review them on a regular basis.



Greater focus could be given to indicators and activities to manage environmental, social and economic sustainability performance in each supplier sector. In particular, all operators have potential to detail social issues in more detail. The relatively small size of most specialist operators enables a director and/or other member of personnel to design of a policy based on knowledge of all the company's functions. Larger operators require a team with knowledge of varying business functions.

Specialists give most detail to environmental management of tour activities, and support of the local economy through local purchases. Mass-market operators set out generic commitments to sustainability, with some reference to excursions and the ECPAT code in the Dutch market. There is currently minimum evidence of specific responsibilities to action policy content, or details of activity/achievement to illustrate each policy statement. This would be useful to drive policy forward and illustrate commitment.

CONDUCT A BASELINE ASSESSMENT OF SUPPLIERS

Collect baseline data on activities suppliers are currently involved in. Introduce assessments gradually, based on the ease of identifying impacts and influencing actions. They could be conducted by type of product, supplier, destination or impact. It is important to collect quantifiable data on performance.

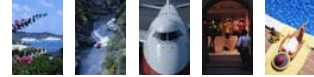
Both specialists and mass-market operators are actively considering methods to integrate sustainability into assessment processes, to differentiate, add value, raise supplier awareness, and protect long-term business interests. Specialist operators evaluate suppliers through dialogue and informal knowledge built up over time. Mass-market operators carry out more formal audits. Selection decisions are primarily based on cost, quality, health and safety, service, reputation, location and reliability. All operators are influenced by suitable supplier availability, and cost considerations in the integration of sustainability considerations into purchasing processes.

Mass-market operators are likely to address sustainability auditing on a group basis, which increases potential to influence suppliers, is more resource efficient, and reduces the number of checks suppliers have to provide. This is likely to be a paper-based audit, supported by regular monitoring procedures and basic questions in CSQ scores. Specialist operators are most likely to develop audits that tour leaders can conduct, supported by CSQs.

All operators are challenged by resources available to assess suppliers, and supplier attitudes and cooperation to auditing processes. Concerns include damaging supplier relationships through additional audits, and the credibility and reliability of information collected. This highlights the need to approach assessment on a gradual basis, in a spirit of cooperation with suppliers.

PREPARE AND IMPLEMENT AN ACTION PLAN

Implement action plans for supplier sustainability based on the type of product, supplier, destination or impact. Action plans are ideally supported by internal and external communication of the expected benefits, and in an atmosphere of collaboration with suppliers.



Specialist operators mostly work on a reactive basis and do not formally define actions for supplier sustainability programmes, but suppliers are often said to be responsive to suggestions. Mass-market operators do not often proactively work with suppliers on sustainability issues, but depending on the destination and type of supplier, find that suppliers are in some cases proactively engaged in environmental initiatives. Some suppliers are also often responsive to suggestions that can improve the quality or performance of the business.

It is likely to be more challenging to introduce changes from which suppliers do not perceive a direct business benefit, or visible environmental/social improvement. It is therefore advisable to base action plans on 'quick wins' and clear indication of the expected benefits, in order to encourage supplier enthusiasm and commitment. Equally, tour operations staff responsible for implementation of the action plan need to be aware of the business benefits.

MONITOR AND REPORT ON PROGRESS

Formally collect and store information on supplier sustainability for strategy planning, internal reporting, and possibly external reporting purposes.

There is only limited evidence of formal monitoring and reporting of sustainability amongst both specialist and mass-market operators. Although external reporting may not be necessary or feasible in terms of resources for most specialists, it may be useful for short internal reports to be produced on progress in order to direct strategy.

All operators involved in the IRTP/PMZ frameworks are involved in a basic system of reporting which is likely to be developed as the strategy progresses. Forthcoming Corporate Social Responsibility reporting may also play a role in standard setting and setting out achievements, which may influence peers to follow.

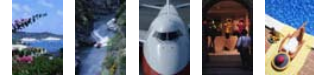
COMMUNICATE SUSTAINABILITY MESSAGES TO SUPPLIERS

Targeted suggestions and advice regarding sustainability, which use a combination of verbal and written communication tools, have the greatest potential to influence supplier attitudes and practice. This is most powerful if operators deliver common messages.

Specialists currently tend to rely more on verbal, informal communication of sustainability issues, and are considering tools such as written guidelines to focus and structure advice. Mass-market operators are mostly planning to communicate sustainability issues through written guidance notes and codes of practice.

There are some examples of supplier workshops amongst both specialist and mass-market operators. These are considered to be effective but resource intensive, and need to be carefully designed to encourage ongoing implementation of good practice.

Specialists' influence on supplier actions is limited when operators only rarely use suppliers, the length of stay is short, and communication is infrequent. Mass-market operators have opportunities to influence suppliers through collaborative their purchasing power. However, supplier interest may be limited, and there is sometimes less opportunity to discuss issues at length with suppliers due to the volume of business.



Communication tools should therefore be targeted to those suppliers that represent a significant part of the business, and are most receptive to sustainability messages. It is likely that in most cases a combination of verbal and written communication is most effective, and that messages are regular and consistent.

COMMUNICATE SUSTAINABILITY MESSAGES TO CLIENTS

Sustainability messages to customers are ideally reinforced through a variety of printed and verbal communication tools, and feedback encouraged on areas of interest, understanding and concern.

The emphasis on communication of sustainability issues is dependent on perceived customer interest. The relative focus on communication of sustainability issues also corresponds to issues faced in destination countries, and the degree to which customers visit more remote, natural environments.

Specialists therefore generally place greater emphasis on pre-departure guidelines, and detailed local information by guides and leaders in destination. Communication of such issues is a more recent trend among mass-market products. Some note the benefits of influencing market attitudes in order to protect long-term business interests, rather than waiting for consumer demand.

A variety of communication tools are needed to reach customers at all stages of the holiday in a way that balances holiday expectations with an appreciation of destination issues, and an understanding of why it is important that the customer plays a part in safeguarding destinations. It is particularly important to raise customer awareness of the value of ecolabels and other classification schemes, in order that suppliers are encouraged to apply for them, encouraged through additional tour operator promotional opportunities.

COMMUNICATE SUSTAINABILITY MESSAGES TO STAFF

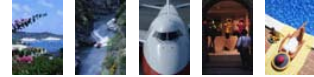
Develop training and guidelines for the integration of sustainability issues into specific job roles.

In both specialist and mass-market operations, most emphasis is on tour leader/resort representative training and internal management training. Other communication tends to be informal and there is currently minimal evidence of structured integration of sustainability issues into job roles, but significant interest in adopting using training materials currently being developed as part of the Tourlink project.

PROVIDE TECHNICAL SUPPORT ON SUSTAINABILITY ACTIONS

A combination of verbal and printed support materials can offer useful support to suppliers. Suppliers can be directed to external sources of support where appropriate.

In both specialist and mass-market operators, the nature of technical support ultimately depends on operator and supplier resources, capacities, business strategy, and the destination facilities. Among specialist operators, technical support is mostly offered through informal dialogue, which tends to focus on explanation of the company's RT policy or reactive advice to issues raised. Several operators are now considering developing more focused guidelines to reinforce this advice.



In addition to promoting internal assessments, mass-market operators are planning to identify suppliers that have proactively sought international classifications, and to demonstrate operator support for these initiatives. This is expected to reduce assessment requirements, if the classification is credible and internationally recognised.

OFFER INCENTIVES TO SUSTAINABLE SUPPLIERS

Promote external award/ecolabel/certification programmes, and consider the development of an internal award programme.

Both specialist and mass-market operators consider the maintenance of the relationship/contractual agreement as an incentive to suppliers, and plan to initially focus on knowledge building and awareness raising activities.

Specialists are considering the value of internal award programmes in the longer term, as knowledge on performance standards is developed. It was noted that suppliers are only likely to value these awards if it brings a significant amount of business. External programmes are considered prohibitively complex and expensive for the typical small-scale supplier, and often do not always cover the destinations operated in. Many would like to see resolution to the complexity of classification schemes.

Mass-market operators are more interested in promoting suppliers' existing awards/ecolabels/certifications. This reflects the larger type of supplier used that have resources and capacities to apply for recognised programmes such as ISO 14001 and are based in destinations supportive of such initiatives. Operators are also interested in running internal award programmes based on forthcoming assessments, which must be carefully presented to suit market interest.

INTEGRATE SUSTAINABILITY INTO SUPPLIERS' CONTRACTS

Integration of basic standards into contractual criteria can raise awareness of the importance of the issues, and demonstrate operator commitment to sustainability.

Many specialists do not use contracts, and incorporation of sustainability criteria is limited to the larger specialists. These criteria basically refer to the company's RT policy, and serve to both increase awareness, and highlight the importance of sustainability performance to suppliers.

Mass-market operators in the Dutch market have integrated basic environmental and ECPAT clauses into contractual conditions over the past year. UK operators are currently discussing the implications of such an initiative in terms of changes to product/contracting requirements, legal implications, monitoring procedures and raising awareness among suppliers. In both countries, full integration of sustainability criteria into contracts is likely to occur in the longer term.