

SUSTAINABILITY IS RESPONSIBILITY

24-26 May 2022

Bodø, Norwegian Arctic



SUSTAINABILITY IS RESPONSIBILITY SUMMIT 2022

EXECUTIVE SUMMARY

SIR \sər \

noun

Abbreviation for ‘Sustainability is Responsibility’; a long-term vision of creating a high quality, highly respected annual platform for USTOA to leverage the collective brain power, insight, and network of the USTOA ecosystem to learn, discuss, reflect, and find viable business solutions to the issues of sustainability, over-tourism and other related problems facing the whole industry value chain.

1. Background & Purpose

The world's increasing population and improving economy is leading to growth in global travel. More people are seeking to explore and discover the world than ever before, leading to increased environmental concerns and impact on vulnerable areas. Sustainable travel will be the new norm, and people will be more and more conscious of where they travel, what they travel and the physical and societal impact their travel has on the areas and communities they visit. The global tourism industry needs to work together, through the whole value chain, to find a way that tourism and the tourism industry can be maintained long-term without harming natural and cultural environments whilst still maintaining profitability.

The World Tourism Organization defines sustainable tourism as "*development [which] meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support system.*"

Economic, societal, and environmental aspects of sustainable tourism development must include the interests of all stakeholders including indigenous people, local communities, visitors, industry, and government.

2. The Host Destination: Bodø, Norway

Sustainability and sustainable conscious operations in all aspects of industry, is the mandate from the Norwegian government for all its entities and public organizations. Norway, together with the other Nordic countries, is a global leader in corporate and social responsibility, and has initiated several incentivized and innovative development processes to turn their heavily funded fossil fuel industry to focus on a green transformation in energy, transportation, and technology sectors. Norway is also a country of vast pristine nature and a culturally rich heritage that needs to be protected and maintained for future generations. Norway, as such, is a natural starting point for a Sustainability Summit for the global travel industry.

- Norway has implemented a sustainable destination development system approved by the Global Sustainable Tourism Council (GSTC). The system requires the destinations to engage in long-term commitment that spans across and in collaboration with local government, travel industry and local community, and follows certain criteria and principles.
- 13 destinations within Norway have completed this process and can label themselves as 'Sustainable Destinations'. An evaluation is done every three years to secure continuous development and maintenance of sustainability levels.

3. Summary of Findings and Learnings

"Do they want you back?" A fundamental question that makes you think of the impact you have as an organization on whether you are doing something perceived good, or something that is less positive and not desired by the locals, and local industries. Norway, and many other destinations that have started the process of sustainable destination development, build on the principle that "a good place to live is a good place to visit". Meaning that as you continue to create livable and thriving communities, you help

foster industries and businesses that further enhances the social and economic welfare of that community while at the same time deliver high quality, authentic and attractive products to visitors. The goal is to create an ecosystem that benefits all stakeholders, and where all stakeholders contribute to continued positive development and economic prosperity. This is as aligned with Larry Fink's, Chairman and CEO of Blackrock, vision of a society that demands companies, both public and private, to serve a social purpose. He argues that "to prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society." Meaning a shift from profit producing to shared value models.

As organizations we all need to evolve and adapt to changing environments, trends, and needs of the consumers, and to be able to compete successfully in the future, companies need to address the issues of concern for their customers. The UN Sustainable Development Goals (SDGs) is a good tool and framework for companies and organizations to use as they start, or further develop, their own sustainability journey. Utilizing the SDGs is a process that starts with identifying priority SDGs of importance and highest relevance for your business, followed by potential actions to address these goals. Businesses must quantify the return to business from these SDG actions as well as the value to society overall.

Having aligned values and a shared understanding of goals and objectives is imperative when working through and managing your supply chain. Sourcing the right products, selecting vendors, partners, customers, investors, etc, is dependent on commitment and the right relationships (not all good relationships are the right ones). Having an exploratory conversation, or a training session, might help you decide and choose the right partners that will help you succeed.

"It's about finding the low hanging fruit and start there, commit to the journey and grow into it together as an organization". Whether it's building an internal culture bottom-up or top-down, the key issue is getting people onboard, engaged and having shared ownership of the process. It also helps having overarching goals that hold everyone accountable to making progress and improve what we can for everyone involved.

4. Educational Content

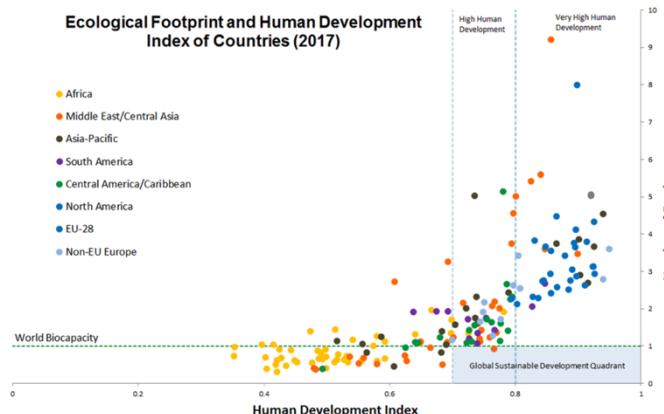


Malcolm Preston

Former head of Global Sustainability at PwC and former Global Travel & Tourism Leader. Currently on faculty at Harvard and the Kellogg School of Management

"Nothing is perfect in the world of sustainability. Perfection is the enemy of progress."

If you depict all the water, or all the atmosphere, on the planet to scale, it covers a space roughly the size of central Europe. 1% of that water is available to all life on Earth. The greatest failure of our economic system is that we treat these resources as “free” even though they are both limited and essential for all life.



There is a need to find balance between Bio Capacity and Human Development (the Brundtland definition). As human development increases, we exceed the biocapacity of the planet. There is not a single country on Earth that exists in the sustainable development quadrant. No matter where we live at the moment, our existence and continued development is unsustainable.

Business is only about profit, right?

“There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud”

“Social responsibility... is a fundamentally subversive doctrine”



Milton Friedman
Nobel Prize, 1976

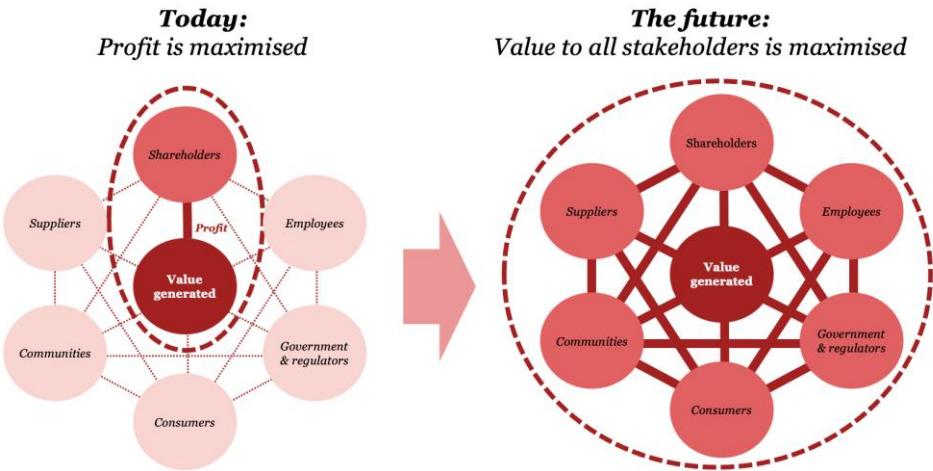
Or has the tide of opinion now changed?

“Society is demanding that companies, both public and private, serve a social purpose. To prosper over time, every company must not only deliver financial performance, but also show how it makes a positive contribution to society. Companies must benefit all of their stakeholders, including shareholders, employees, customers, and the communities in which they operate.”



Larry Fink,
Chairman and
CEO, Blackrock
January 2018

Milton Friedman and Larry Fink have opposing views on the responsibilities of business. Are we shifting from the Friedman model to Fink's? Globalization has positioned companies to arbitrage weaker governments for cheap labor. After July 29th of this year, we will be eating into next year's global resources. We must move away from a pure profit producing model and incorporate our shared resources into decision making at the boardroom level. The UN Sustainable Development Goals (SDGs) are the best framework we have to do this.



What is the business case for sustainability?

1. Cost Savings
2. License to operate: If you behave badly, you will not be allowed to operate.
3. Growth opportunities: How do you view the SDGs from a business perspective?
4. Ahead of regulations: Government will regulate once there is a struggle. You can't adapt the day before regulation. It's a process which should start early.
5. Dependency: This is rarely talked about. What is your business dependent on?

The importance of SDGs & Global Commitments

The UN Sustainable Development Goals (SDGs) are a good guideline to craft a sustainable business strategy however it is important to keep in mind that the profile for every country differs in SDG terms. That's why it's not possible to talk about SDGs on a global level.

17 Global Goals ratified by 193 UN Member States in September 2015...



17 Goals

169 Targets 126 actions/outcomes

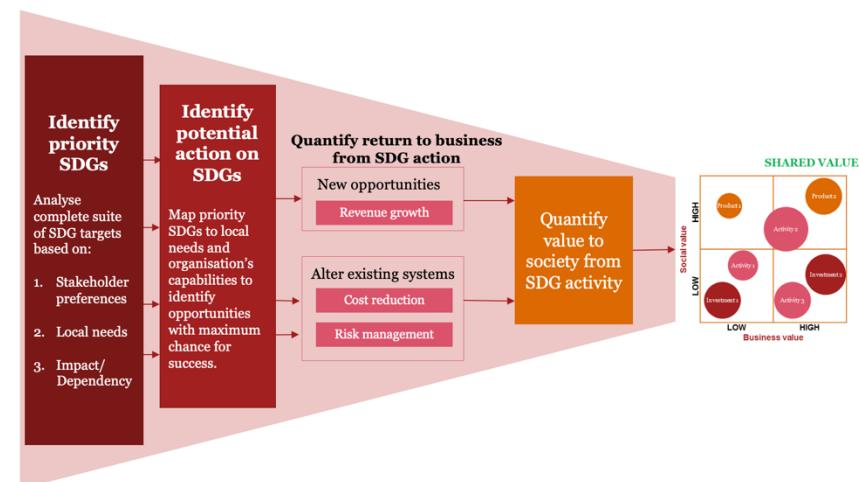
60 very likely business relevance
42 likely business relevance
24 less likely business relevance
43 means of implementation

232 (247) Indicators 93 Tier 1, conceptually clear, method agreed, regularly reported
66 Tier 2, conceptually clear, method agreed, not regularly reported
68 Tier 3, no established methodology

Individual countries report on their SDG progress and it's important to understand this overview for any country you are operating in. Understanding this progress will lead to better understanding of your corporate responsibility and what regulations may be on the horizon.

SDG reporting is done by statistical institutions separate from political systems, which gives data driven SDG-reporting. There is nothing to gain in cheating, as countries want to be very aware of their challenges.

Aligning with the SDGs is a process that starts with identifying priority SDGs for your business followed by potential actions to address these goals. Businesses must quantify the return to business from these SDG actions as well as the value to society overall. Water and air are the most important scarce resources, which most companies don't even consider.



When working towards the SDGs, businesses should always aim for the targets (169) and not the goals (17). The larger goals are too much for any one company to wrap its head around and they are likely to not be relevant to your business. As you plan your strategy, are you helping governments achieve their goals, or hindering them?



5. Stakeholder engagements

Moving from a profit producing to a shared value model requires commitment at all levels in a company, as well as the whole value chain. For a company to be truly sustainable it needs a thorough review of all partners, vendors, customers, investors, and all other stakeholders. Sourcing and selection processes needs to be reviewed through the lens of shared value and understanding of its goals and objectives. Education and training can be useful to help your partners understand your vision and objectives, but we should also be open to the fact that not all good relationships are the right ones.

There is no right or wrong, or the perfect plan. What is needed is some form of action from everyone involved in the organization. Whether more advanced, or step by step. Whether product management through plastic reduction, eliminating flights on some trips, driving rather than flying, using local restaurants, and buying local goods. The important thing is that it is specific, targeted, and measurable.

Securing market share for the future and being able to compete in an increasingly sustainability enlightened global marketplace, your own operations need to have a solid sustainability strategy incorporated into your business model and fostered through conscious and targeted actions. Your customers will expect that of you. They will trust that you do the right thing and meet their needs in a way that make them feel good for choosing you and helping them leave a much more positive and less disruptive footprint from their purchases.

Adapting to new travel patterns and trends allows you to mingle with a broader population and follow a path of learning that you most likely will follow for a long time. Answering questions on where you are going and reporting on progress is not always easy as the issues are often complex and vast. Keep your eye on the ball, select a good framework for prioritizing and documenting your efforts. It allows you to easier set the course, slow down and create a safe space for the teams inner working and inner dynamics. Reinforcing that it is not a perfect score that is the main goal, but the process and the direct and indirect factors that follows.

Key questions to be answered:

- Who is driving the change forward?
- How do you measure ROI with a more holistic and impact focused view?
- Sustainability vs marketing? How do you reset the thinking regarding mission alignment?

What is TIMM?

<p>► Total</p>	<p>A holistic view of social, environmental, fiscal and economic dimensions – the big picture</p>
<p>► Impact</p>	<p>Look beyond inputs and outputs to outcomes and impacts – understand your footprint</p>
<p>► Measurement</p>	<p>Quantify and monetise the impacts – value in a language business understands</p>
<p>► Management</p>	<p>Evaluate options and optimise trade-offs – make better decisions</p>





Patrick Preiano
Sustainability
Project Manager
Globus Family of
Brands

"When you ask companies about sustainability, they often reply 'we don't know how to do it'. But we are all growing into this together. Even though we started five years ago trying to get the right mindset for all our employees worldwide, we're still trying to figure out the metrics. It's a learning process so start really small. Ask for the basics. If your suppliers aren't interested in that, it may not be a successful relationship."



Leigh Barnes
Chief Customer
Officer
Intrepid Group

"When working with partners, you must meet them where they are. Be careful not to push change too hard and recognize the reality of what's possible considering procurement regulations, guidelines, the respective country's ethical labor policies, codes of conduct, leadership training and education. Where that education is lacking, do on the ground training"



Shannon Guihan
Chief
Sustainability
Officer, Head of
TreadRight
The Travel
Corporation

"We need to evolve, which means adjusting the reality of where you are doing business based on data. We have tried to get this data from questionnaires, but hotels have reporting fatigue, so we have been more successful with having people on the ground and establishing tools that connect the dots between suppliers and destinations. We have established a set of criteria to identify relevant SDGs and then we take an issue-based approach to working with suppliers. It all depends on the context and the country but if we don't identify what we are going to fight, we don't fight anything."

6. Building an Internal Culture / Bottom Up or Top Down

Implementing change in an organization can be both challenging as well as rewarding, but it's a journey and a process that everyone needs to be onboard and ready for. Success is driven from inside, through shared ownership, commitment, and core understanding. That is also true for adapting your business model to include sustainability measures and concepts that requires new or revised thinking and processes.

How your organization is set up and how your formal and informal culture of operation is, can be decisive in how you successfully implement change or start a sustainability journey. Whether driven by management (top down) or at an individual team or department level (bottom up), creating the right sense of ownership, of understanding and acceptance of the sustainability issues and missions throughout the organization, is essential in getting anything done (or started) and succeeding. In many cases, management and owners needs convincing and motivation to commit to new operational processes or seeing the potential ROI in becoming a respected organization that puts people, societies, and environments first. In other cases, it's the management or owners that want to drive the process of change and push it out through the whole organization via educational, training, and other interactive methods. Whatever the case is, the core values of an organization derive from its people and the beliefs they all share. These beliefs and a joint policy that sets a desired direction can help an organization develop into a company that people want to work for, also in the next 50 years. It can't be business as usual, as the last 50 years, nor can it be a "light" version. Greenwashing is increasingly exposed and similar marketing "gimmicks" can hurt an organization as it loses the trust of its current and future customers. Authenticity and transparency to firm commitments and core values can be the best marketing there is as you build the necessary respect and trust among an attractive audience. It is also a key factor in attracting and retaining talents. The emerging workforce is growing up with sustainability

and sustainable values as an important decisive factor when choosing a career and employer. They are more likely to take sustainability as a personal responsibility and will expect anyone else to do the same.



Timo Shaw
President

Country Walkers
& VBT Bicycling
Vacations

"You need to bring other people on board. You can't do the journey alone. It's not *my* sustainability goals, it's the organization's. We start working through things as a group, then to a committee, then out to the whole organization. Before we took this approach, we felt we weren't going anywhere. This structure allows the organization to focus its efforts."



Emma Cottis
General
Manager,
Corporate Affairs

Goway Travel

"When it comes to sustainability, we try to create grassroots movement from the staff up. We engage staff to encourage other ways of being responsible in their everyday lives. We start with community and environment, and we build on that. The point is to make some kind of change and to be genuine in doing it. Any step is positive as this climate situation cannot continue. We can't stop people from flying, but we can make them responsible."



Emma Impaudo
Senior Director
of Education
Travel Programs

Academic Travel
Abroad

"Some companies take a bottom-up approach to sustainability, and some take a top-down. Having everyone across the organization involved is the main issue. Having more staff engagement at lower levels is preferred over one person driving it from the top. Our overarching goals hold us accountable to making progress and improving what we can for everyone in the company."

7. Conscious Actions for Future Travelers



Wawa Gatheru, Keynote Speaker

Keynote Speaker Wanjiku "Wawa" Gatheru is an environmental justice advocate, writer, and current graduate student at the University of Oxford. She is a first-generation American of Kenyan descent and the first Black person in history to receive the Rhodes, Truman, and Udall Scholarships. Wawa (WG) joined the SIR conference in conversation with Visit Norway's Hege Barnes (HB).

HB: You call yourself a Climate Activist, what does that mean?

WG: Climate change is very important but can often be seen as a buzzword. I consider myself to be a Climate Activist because I advocate for climate change as an issue. But often times people think that climate activism demands a perfectly sustainable lifestyle and complete knowledge of the topic of sustainability. That is just not realistic in this evolving field.

HB: How do we balance the importance of Climate Change with other major global issues such as the COVID-19 pandemic or war in Ukraine?

WG: First and foremost, we must accept the fact that climate change is here to stay and will only become ever more present in our lives going forward. We must also look to better understand what role Climate

Change plays in other global issues such as COVID or subsequent economic instability. Climate Change is a *multiplicator* which adds on to, or can even cause, other problems. As the climate changes, animals

move geographically which leads to viral spilling. We are seeing more and more viral spilling happening more often. As a side effect to climate change, pandemics may become a normal part of our future.

HB: How are we going to deliver on the demands of the next generation when it comes to sustainable travel?

WG: Values are intergenerational, which means all people regardless of age should have some understanding of sustainability. In order to integrate these values, which are intergenerational, we must

- 1) Actively listen to what the younger generation is telling us and react accordingly
- 2) Be able to understand the differences between authentic messaging and greenwashing
- 3) Proactively make changes internally within our organizations rather than reactive responses.

HB: How do you reconcile your need to travel with your desire to be more sustainable?

WG: It's difficult. My life, with my family both in the US and in Kenya, requires air travel. We need to accept the reality of needing to travel under the current reality with the desire to reconsider travel frequency to better align with the demands of the environment.

HB: What changes do you see coming to the future workforce? What values will future workers demand from their employers?

WG: It's important that workers and employers be mission aligned and work to attract consumers that are also aligned with the values of sustainability. Employers need to prioritize transparency and sharing of data as consumer and workforce expectations are changing and companies need to keep up.

HB: How do we raise the bar on sustainable efforts?

WG: We must remember individual perspectives differ from corporate perspectives when it comes to guidance, expertise, understanding, transparency, and philanthropy. Impact on a global scale and on the local level are both important. We need to learn from one another and the organizations that will be most successful are those that will share what they are doing in this space and how they are doing it.

HB: What does tomorrow's sustainable travel product look like? What are you excited about?

WG: What excites me is seeing travel products embrace accessibility and providing the necessary access to services that will allow all individuals of all situations have the same experiences.

HB: We feel pretty confident when it comes to gender and LGBTQ+ representation within the sustainable travel industry, however we recognize the industry is not as equally represented when it comes to race. What can be done about this?

WG: I would recommend establishing more active contact with colleges with multiracial students. Organizations need to actively reach out, create connections and truly invest in racial diversity in the industry as a whole. It's not going to happen on its own. Think about how we can make this a top priority by looking back and applying what has been learned from including other demographics (gender, etc) and applying that on more multicultural efforts. Let's reframe the climate crisis as an opportunity to create a future which we're proud of.

8. Recommendations, Commitments & Follow Ups

There is no doubt that we all need to commit, to act and do something. But what actions are required? What do the experts, the more experienced players recommend? How do we get started? What are the

low hanging fruits? What is imperative but challenging, and what support do you need from your stakeholders? How can we support each other?

All these questions and more are something we all should strive to answer, individually and together. USTOA and its partners are ready to assist and plan on the following actions to help its members on their journey:

1. **SIR-Sustainability is Responsibility** will continue as a concept and interactive initiative. The next event will be a continuation of the education and learnings from Bodø in May 2022 and will be integrated into the Tourism Cares Meaningful Travel Summit hosted in **Tromsø, Norway April 19-21, 2023**. With its focus on impact and meaningful travel experiences, it will be a natural extension to the mission and values of SIR, USTOA, VisitNorway and other partners.
2. **Sustainability webinar** with a panel discussion from some of the attendees at SIR on their personal journeys, the importance of their missions and the value of learning and creating ownership among their teams. To be hosted by USTOA in the fall of 2022.
3. **USTOA Annual Conference in Austin Texas Nov 29 to Dec 2** will have a theme and topics that relates to sustainability, personal commitments, and industry developments.
4. **USTOA will create a Sustainability Advisory Board** with a mix of experienced member representatives to discuss, advise and create future actions for joint learnings, education and sharing. More details on this to come.
5. **USTOA will create a Sustainability Community Platform** for its members to get together to freely share, chat and discuss organizational and industry challenges.

