



STI is 501 (C) (3) **non-profit** dedicated to:

- ◆ **Promote sustainable development and eco-friendly travel**
- ◆ Provide programs that **help travelers and travel-related companies protect** the environmental, socio-cultural and economic needs of **the places they visit, and the planet** at large.

Leave the World a Better Place™

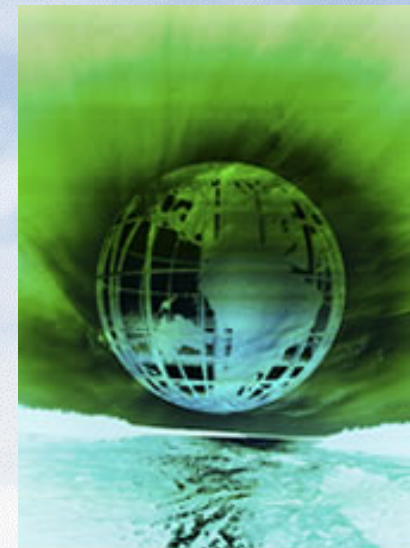
www.SustainableTravel.com



Travel and Tourism Profile

Largest industry in the world:

- Nearly 11% of the global GDP
- Over 10% of the global workforce
- 760 million international arrivals in 2004
- Expected 1 billion by 2010



Most damaging industry in the world



Travel and Tourism Impacts

Socio- Cultural

Economic

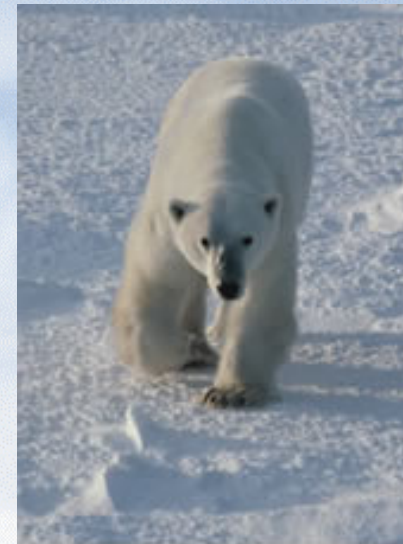
Environmental





Travel and Tourism Impacts

These changes, in turn, are beginning to have a profound impact on the travel and tourism industry, and the planet at large.



How do we educate people about how serious these issues are, while empowering them to make a difference?

Sustainable Tourism as a Solution

"Sustainable tourism...results in a net benefit for the socio-cultural, economic, and natural environments of the area in which it takes place."
(ICOMOS, ICTC, 2002)





Sustainability Market Overview

- Estimated number of LOHAS (Lifestyles of Health and Sustainability) consumers alone is **63 million strong** and growing rapidly, representing **more than \$226 billion** in annual sales in the U.S. and **more than \$540 billion worldwide**.
- **30% of adult Americans** or **58.5 million** people make purchasing decisions based on their personal, social and environmental values (*Understanding the LOHAS Market - Identifying the LOHAS Consumer & Business and Branding Opportunities*, 2002).
- Almost **90% of the U.S. population** state that it is important for companies to not just be profitable, but to be mindful of their impact on the environment and society (*Corporate Social Responsibility: Consumer Understanding and Influence*, Natural Marketing Institute, 2005).
- When price and quality are equal, **76% of consumers would switch brands** or retailers if a company were associated with a good cause. And **90% of consumers will pay a premium** to purchase from companies that share their values (Walker Research).



Sustainable Travel Market

- Nearly **36% of adult Americans** or **55.1 million** people can be classified as eco- or geotourists. (TIA and National Geographic Traveler 2002).
- **58.5 million Americans** say they would pay more to use a travel company that strives to protect and preserve the environment. (TIA and National Geographic Traveler 2003).
- Almost **75% of adventure travelers** polled said that responsible travel practices play a key role when choosing a travel provider for their vacation.
- Active travelers are willing to spend an average of 10% more on excursions if they are confident that the travel provider is responsible and respects the ecology and diversity of the planet. (The Adventure Collection National Opinion Survey, 2005)





Experience and Research. Strong Movement Toward:

- Responsible travelers
- Travel providers pursuing responsible business practices
- U.S.: Fragmented and unregulated
- No standardized source of information for industry or consumers



Building Bridges: STI as a Sustainability Portal

- STI
- 1. Consumers
- 2. U.S. Travel and Tourism Industry (ATTA, etc.) as Outbound Operators
 - ➡ ■ Inbound Operators
 - ➡ ■ Local lodges, outfitters & other suppliers





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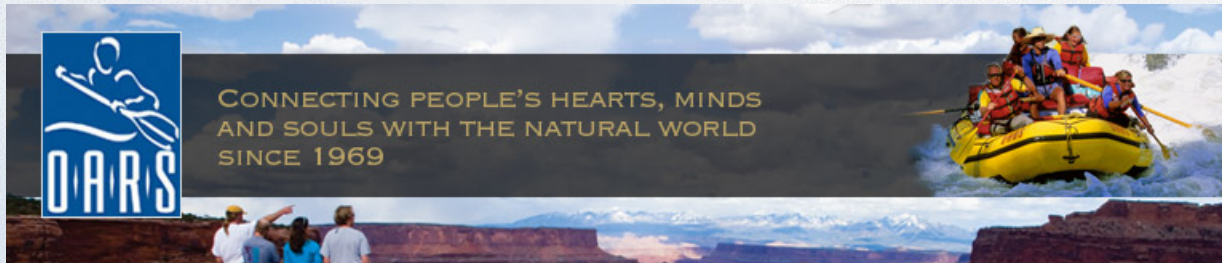


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 The World Outdoors®



Global
sojourns



Building Bridges: STI as a Sustainability Portal

Goals

- Provide tools to mitigate negative and enhance positive impacts;
- Raise industry standards across the triple bottom line;
- Build consumer awareness and demand for sustainable tourism; and
- Help to positively affect the bottom line



Building Bridges: STI as a Sustainability Portal

Constituency:

- ◆ Est. September 2002
- ◆ 11,032 Responsible Travel Report recipients from over 150 countries
- ◆ 143 members from over 50 countries

Tools:

- ◆ Eco-label/certification, impact measuring, management and improvement
- ◆ Membership, Eco-Directory, PR, marketing, education and outreach
- ◆ MyClimate™ carbon offsetting



Sustainable Tourism Eco-Certification Program™ (STEP)

Program Goals:

- Educate the industry: > 175,000 individual U.S. businesses
- Industry: (Educate) Measure, Manage, Evaluate & Improve
- Help realize quality, market improvement and L-T profitability
- Help consumers identify responsible operators
- Marketing, education and outreach





Greenhouse Gas (Carbon) Offsets

MyClimate™ (www.My-Climate.com)

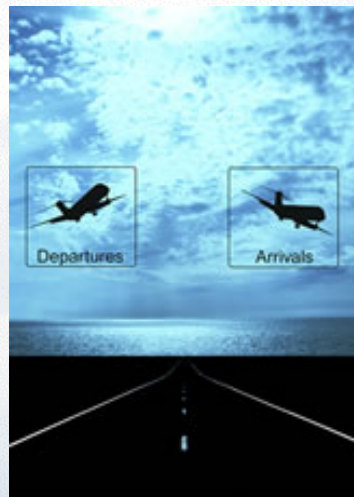
A hands-on solution for individuals and businesses that wish to neutralize their global warming impacts from travel related GhG emissions





How does it Work?

1. Enter your departure/arrival cities into a carbon calculator
2. GHG emissions released during air travel are calculated.
3. Company or individual chooses to neutralize part or all of your climate impact by purchasing offsets from sustainable development projects

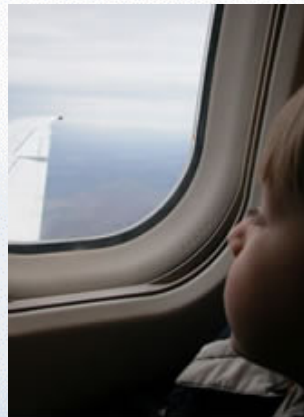




Greenhouse Gas (Carbon) Offsets

Result

- Consumers and organizations neutralize impacts.
- Evidence of increased revenue stream by sponsoring such initiatives.
- Environment benefits through climate-friendly projects
- Communities benefit with sustainable development projects





Carbon (GHG) Offset Market

- ◆ 75.4% of self-declared environmentally oriented consumers are willing to pay \$1-20 extra per ticket to mitigate the green house gas effects of their travel.
- ◆ 76.7% of self-declared environmentally oriented consumers would switch online travel sites to one that made contributions on their behalf to offset the portion of their emissions.
- ◆ 76.2% of businesses would be willing to switch their travel providers to one that can offset emissions for a few extra dollars per ticket.

(Source: Anavo Group and Sustainable Travel International (STI), 2005 survey of consumers and businesses to assess interest in "offsetting" the greenhouse gas emissions of their plane flight. Offsetting carbon was defined as either planting trees or donating to projects that reduce future carbon production, such as installing solar panels in developing countries to replace crude oil as their main source of energy.)



Carbon (GHG) Offset Market

MyClimate Sales:

- 30'000 t CO₂ in 2005
- 100'000 t CO₂ in 2006
- Projected 6 Million t CO₂ through 2012
- Dynamic market: First 2 months of 2006 alone MyClimate was contracted to sell 101'000 t CO₂ just by offsetting GHG emissions of the World Soccer Championships in Germany

Note that these offset programs go far beyond offsetting air travel only. It will become increasingly important to companies in all sectors to offset all internal emissions.



Resources and Tools

Membership

- Commitment to Sustainability

Eco-Directory

- Access to Responsible Companies

Select a Category:

Attraction
Beaches/Diving
Biking
Business Development
Community Development
Conservation
Culture
Eco-travel

Select a Region:

Africa
Antarctica
Asia
North America
South America
Afghanistan
Albania



Resources and Tools

Green Travel Market

"The virtual marketing service for sustainable tourism"

The **Green Travel Market** provides comprehensive, reliable, up-to-date information on sustainable tourism products that are currently available in the global marketplace, so travel companies can 'green' their supply chains.





Greening the Supply Chain

The World Outdoors

- Hiking and Multi-sport Adventures
- Internal Corporate Responsibility Statement, including environmental and cultural practices
- Incorporates Inbound Operators' Corporate Environmental / Sustainable Policy into their own statement as "Country Initiatives"





Greening the Supply Chain

The World Outdoors-Horizontes Country Initiative

- Donates to Costa Rica's National Parks System and to environmental NGOs locally and worldwide (eg. \$20k to Corcovado Nat'l Park)
- Included building washrooms in Carara National Park, improving trails in Rincon de la Vieja National Park, Sponsoring Costa Rica national park staff member at a course about ecotourism at George Washington University.
- Caribbean Conservation Corporation: Saving sea turtles that nest on Costa Rica's Atlantic Coast; Fundación Yiski: Annual nation wide beach clean up and specializes in environmental education about solid waste issues, and Fundación Neotrópica: Intensive guide training course for young Costa Ricans from rural areas
- Environmental Office Procedures





Greening the Supply Chain – Industry Leaders

The Adventure Collection

- A group of the most respected (11) adventure travel companies in the world.
- Over 500 unique trips: wildlife safaris, cultural exploration, bicycle tours, rafting, fly-fishing, heli-skiing, and outdoor education
- Over 250 Years of combined experience
- Over \$250 million dollars annually, and mailing lists combined total 2.7 million





Greening the Supply Chain – Industry Leaders

Responsible Travel

- **Strategic Principle 1:** Members have specific ongoing projects that further the overall concept of responsible travel.
- **Strategic Principle 2 & 3:** Members have clearly defined strategy regarding accountability in their offices and in communities where their trips take place.
- **Strategic Principle 4:** Responsible travel education guidelines are considered in developing of departures offered by members.
- **Strategic Principle 5:** Members are committed to a systematic review of their corporate performance regarding responsible travel.





MyClimate Industry Leaders

US-based Natural Habitat Adventures (NHA)

“The World’s Greatest Nature Expeditions” (www.NatHab.com)

- Calculated all internal tour emissions & customer flights
- Offering a matching program





SUSTAINABLE TRAVEL
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STEP ONE



Select Your Adventure



STEP TWO



Select Your Starting Airport



STEP THREE

Select the percentage of carbon offset you would like to contribute:

100%

50%

25%

STEP FOUR

Tell us the number of travellers for whom you are
purchasing carbon offsets. **2**





Greening the Supply Chain: Inbound Operator Rules

Rules for inbound operators, along with the usual requests for the highest quality, safety, respect paid to the environment and local cultures:

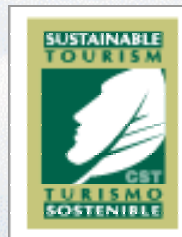
- ◆ An agreement to participate in a carbon offset program by 2010;
- ◆ They use recycled paper on 100% of their printed matter by 2010;
- ◆ Documentation of at least one major program to educate locals to the importance of conservation;
- ◆ Recycle paper, plastic and glass in office operations within 3 months of signing agreement and in the field within 12 months of signing agreement

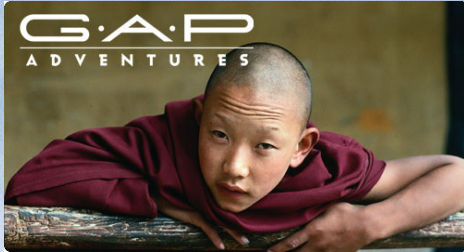




EcoCertification and Supply Chain Management

- CAST, in conjunction with Green Globe, Section 1.1.4 of the GG21 Company Standard involves maximizing local employment at all levels of company practice. Result: Curtain Bluff (hotel) in Antigua - nearly all positions (92%), including supervisors and managers are locals
- Horizontes is seeking a sustainability certification with Costa Rica's CST for tour operators, affecting decisions by companies like The World Outdoors
- STI: Just pilot launched STEP and already have 5-10 companies participating/committed to it.





Greening the Supply Chain

G.A.P. Adventures

- In 15 years: Small group of travelers to one of the world's leading adventure companies with **over \$100 million** in annual revenue and **300 employees**.
- Building a Sustainable Adventure Company while Staying Innovative and Competitive
- Growth through connecting in an authentic way with local communities and its own customers





Greening the Supply Chain

G.A.P. Adventures – Responsible Travel

- Low-impact tours, work with local communities / businesses / individuals to help local economies while minimizing negative environmental/cultural impacts.
- Developed Ecotourism Operator Standards with Conservation International (eg. low impact training for guides, locally owned under 40 room hotels, etc.)
- Future Targets: Monitor operations at the local level: Evaluate level of resource management and employment practices for *ALL* suppliers. Selection of suppliers is to be based on these criteria.
- Code of Conduct for Travelers
- The Planeterra Foundation





Greening the Supply Chain

Washington DC-based United Fairfax Travel (UFX) / American Express

- UFX purchases **MyClimate**™ offsets
- Travelers can upgrade to a full **MyClimate**™ ticket (~ \$5-10)
- Rents electric and hybrid vehicles
- Utilizes Manaca, an ecotour company for its packages, whose mission is to “to protect and conserve the planet by offering conscientious, comfortable and customizable eco-journeys.”

Result:

- ‘Guilt free’ travel at no/little additional cost
- Cause marketing benefits/increased revenue stream for UFX
- increased customer loyalty and retention





Industry Leaders

- Costa Rica-based Nature Air: The world's first climate impact neutral airline to offset emissions
- Initial investment with opportunity for passengers to contribute





The take-away - Do well by doing good:

- Mitigate negative and enhance positive impacts
- Seize opportunities for corporate leadership
- Address consumer's growing concerns about environmental issues and their demand for greater transparency in the marketplace
- Demonstrate your commitment to corporate social and environmental responsibility
- Increase employee loyalty and morale
- Distinguish your business and enhance its reputation in a time of fading customer loyalty
- Gain market share and improve awareness of your brand in a highly competitive global marketplace
- PR opportunities

Green Supply Chain Management will become an increasingly important tool for businesses.



www.SustainableTravel.com

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Leave the World a Better Place™

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