

The Travel Corporation: Using the sustainable development goals to drive strategy









SUSTAINABILITY LEADERSHIP BY THE TRAVEL CORPORATION: USING THE SUSTAINABLE DEVELOPMENT GOALS TO DRIVE STRATEGY

'Make Travel Matter' is a foundational purpose that harnesses the sustainability ambitions of The Travel Corporation across its multiple brands. Now expanded to link its travel experiences directly to delivery of the Sustainable Development Goals, this simple message belies an ambitious agenda to champion sustainability through connectivity, community, and authenticity with a commitment to the development of sustainable travel.

IDEA IN BRIEF

The Travel Corporation (TTC) embarked on its journey to integrate sustainability into the business with the launch of its not-for-profit foundation, the TreadRight Foundation, in 2008.



- With leadership from TreadRight, TTC adopted a strategic position on key issues including single use plastics, animal welfare and climate change.
- In 2018, TreadRight and TTC's sustainability efforts were brought together under the banner 'Make Travel Matter', which was adopted by the groups 40 award winning travel brands.
- In 2020, TTC released its sustainability plan 'How We Tread Right' that presents 11 smart sustainability goals aligned with the United Nations Sustainable Development Goals.
- The strategy closes any potential gaps in the expression of sustainability across the group, ensuring it is now fully engrained in the way TTC brands operate and how the group employs its philanthropic efforts through its Treadright Foundation.

INTRODUCTION

The Travel Corporation (TTC) is a family-owned group of 40 travel and hospitality brands established in 1920 and now operating throughout the world¹. From global adventure brands, such as *Contiki*, to luxury hotels in *The Red Carnation Hotel Collection*, the group offers safaris, luxury river cruises and immersive guided tours with a focus on the guest experience.

Recognising both the criticality and centrality of sustainability to the Travel & Tourism sector, TTC founded TreadRight in 2008 – a not for profit foundation with a core mission to 'Make Travel Matter' by funding sustainable tourism initiatives worldwide². This simple message belies an ambitious agenda to champion sustainability through connectivity, community, and authenticity across the TTC brands with a commitment to sustainable and regenerative tourism. TreadRight was born out of a belief that reducing TTC's social and environmental impact should be core to all of its brands; it is a clear example of sustainability leadership in action.

Societal interests and anxiety about the future of the planet and human systems have been increasing exponentially, moving from the domain of niche interest groups to mainstream consciousness and the newsworthy. Within this context, sustainability and the Sustainable Development Goals³ (SDGs) can become a powerful compass to help guide transformation of the Travel & Tourism sector, orienting its activities and impact as place-makers and international economic actors. Many companies are already embracing the SDGs as a source of transformation. The question is are they acting fast enough and are the changes sufficiently deep given the pace and scale of change signaled by the global threats and opportunities across multiple domains? Today's travellers are working out how to make a sustainable future happen. Therefore, harnessing their change agency is a powerful means to accelerate delivery of the SDGs. This is where TTC has positioned its sustainability leadership efforts.

HOW WE TREAD RIGHT: TTC'S SUSTAINABILITY STRATEGY

TTC recently extended the remit of TreadRight to create and lead the implementation of a new group Sustainability Strategy, entitled 'How We Tread Right'⁴. The five-year strategy, launched in September 2020, focuses on addressing climate change, overcrowding, animal welfare, sustainable consumption, and diversity and inclusion. TTC has committed to becoming carbon neutral by 2030⁵ latest, drawing down its direct emissions through conservation and technology and investing in clean energy, low-emissions transportation and innovation.

TTC's **Sustainability Strategy is mapped directly to the SDGs**, with a focus on 11 of the 17 SDGs where TTC businesses and the traveller experience can make an impactful contribution to fulfilment of the goals (see Table 1). This is important as it connects the company's sustainability programme with the global United Nations Agenda 2030⁶. It also connects the traveler experience directly to fulfilment of the goals. This goes some way to make visible the positive impact Travel & Tourism makes to people, prosperity and planet, highlighting its contribution to jobs and work, conservation, communities, and equity. **Chief Executive of TTC, Brett Tollman** said at the launch of the new strategy, "Our comprehensive *How We Tread Right* strategy is the progressive commitment to sustainability and the planet that TTC and our travel brands must make right now to achieve our 11 goals and be accountable for our impact."

SDG HOW 'MAKE TRAVEL MATTER' EXPERIENCES CONTRIBUTE TO THE SDGs





NO POVERTY

The experience contributes to ending poverty in all its forms, everywhere





QUALITY EDUCATION

The experience contributes to ensuring inclusive and equitable quality education and/or promotes lifelong learning opportunities for all



GENDER EQUALITY

The experience is helping to achieve gender equality and empowerment of women and girls

6 CLEAN WATER AND SANITATION



CLEAN WATER AND SANITATION



AFFORDABLE AND CLEAN ENERGY



REDUCED INEQUALITIES

The experience is addressing and/or reducing inequalities within the country



SUSTAINABLE CITIES AND COMMUNITIES



RESPONSIBLE CONSUMPTION

The experience promotes and educates our guests on sustainable consumption and production



CLIMATE ACTION

The experience educates our guests on the climate crisis and takes action to address its impacts



The experience contributes to the conservation and sustainable used of our oceans, seas and marine ecosystems



LIFE ON LAND:

The experience educates our guests on the importance of natural ecosystems or wildlife conservation and contributes to their restoration or repopulation

Adapted from https://ttc.com/wp-content/uploads/2019/12/MTM-Qualifying-Experiences.pdf

MAKE TRAVEL MATTER E-ASSESSMENT

A core component of TTC's Sustainability Strategy is its Make Travel Matter (MTM) Experiences, identified by a proprietary assessment tool used to measure each travel experience against fulfilment of the SDGs; the World Travel & Tourism Council (WTTC) has endorsed the tool. To be labelled a MTM Experience, it must meet the criteria associated with at least one of the SDGs included in TTC's Sustainability Strategy; the qualifying criteria are given in Table 1. TTC is committed to having at least one MTM Experience on 50% of all its itineraries by 2025 – this equates to over 750 MTM experiences. This alignment with the SDGs recognises the mutuality of benefit to both traveler and host community. Respective TTC brands have embraced this agenda; at the time of publication, Contiki had identified MTM Experiences on more than 60% of the brands' itineraries, with Insight Vacations at 30%. Internal training and communications addressing the SDGs and the group's efforts through 'How We TreadRight' is widespread across TTC.

In reviewing the MTM E-Assessment tool, faculty and scientists of the Harvard T.H. Chan School of Public Health determined it to be a commendable initiative to advance sustainable tourism. The tool brings rigor to the process, making visible the choices traveller's make to benefit people and planet. Tying consumer decisions directly to one or more of the Sustainable Development Goals connects their personal choices to global impact. There is an opportunity now to reset travel and tourism by prioritising the United Nations 2030 Agenda⁸, both to assure long-term resilience of the sector as well as enabling it to make its fullest contribution to sustainable development. This new tool could help the sector deliver the SDGs and a world where "no-one will be left behind"9.

SUSTAINABILITY LEADERSHIP

Interviewed for the case study, Brett Tollman, Chief Executive of TTC is clear that Travel & Tourism needs to go beyond a defensive strategy as it relates to sustainability. Rather, he chose to 'Walk the Talk' and embrace the power of Travel & Tourism to make a positive impact in the world. With a unique blend of foresight, frustration and determination, his personal and professional values informed the direction of TTC in leading the way for sustainability in the Travel & Tourism sector.

Recognising leadership as a social construct and an outcome of social interactions with followers, the senior leaders in TTC understand that the quality of their attention influences the actions of others¹⁰ and appreciate that great change takes time¹¹. Interviewed for the case study, David Hosking, a Director at TTC and Treadright considered the company was "ahead of the curve" for a group of its size in adopting sustainability. Indeed, the prevailing narrative in Travel & Tourism at the time TreadRight was set up was that it was not possible to be both mass market and sustainable. David Hosking was clear that key to TTC's success was how the efforts of TreadRight had been integrated across the group, driving both brand-level product innovation and a coordinated operational approach to sustainability.

The foresight that led to the creation of TreadRight went on to fuel TTC's new Sustainability Strategy, with clear deliverables linked to the SDGs Agenda 2030. For TreadRight, TTC built an internal coalition across its brands with each company asked to invest in the Foundation. Early adopters of the mission included Contiki and Trafalgar. Once internal strength was built up over several years, TTC made its commitment to sustainability known publicly. With a goal to educate the traveler, TTC shows its customers how they can support the work of the Foundation. However, unlike the old Corporate Social Responsibility (CSR) model, which views social good as an add-on that is positive but separate from business strategy¹², TTC connected TreadRight's work to that of it brands and, critically, its guests.

Leaders at TTC seem to sense management challenges and opportunities in new ways, using emotional intelligence (EI or EQ, a widely accepted as a key leadership attribute¹³) to connect from self to society through the lens of the company. They do not purport to be all knowing or all-powerful, instead, they afford people across the brands the psychological freedom to share ideas and feedback, creating "engaged followership" 14. This in turn drives employee engagement 15 and productivity, along with other benefits16. Overall, TTC's leaders are making concerted effort to address sustainability across all of the business functions, and have already achieved considerable success in doing so.

As exemplified by the development of MTM Experiences, TTC can inspire its teams to consider customers and society, which in turn increases a sense of community in work given that people flourish when connected to something greater than a job^{17,18}. Connecting people around the TTC group Sustainability Strategy empowers people, especially important in situations characterised by high degrees of volatility, uncertainty, complexity and ambiguity – so-called VUCA conditions. TTC understands that value is held in the emergent outcomes of a complex system¹⁹. This aligns with the SDGs, which represent a global shared purpose²⁰.

As global disruption reshapes our world in real time, TTC appreciates the opportunity to embrace sustainability to enable business to serve societal needs. With 21st-century leaders operating in an environment defined by complexity and change²¹, rather than seeking to minimise or ignore complexity, TTC is using sustainability to help navigate uncertainty. In this way, a new social contract is being shaped by TTC as a global business, driving value creation for the business and for the betterment of society at its destinations and more widely. Sustainability is therefore a multiplier, capturing the value of synergies among committed people and helping drive top-line growth and bottom-line profit.

TTC'S SUSTAINABILITY IN ACTION

Interviewed for the case study, Shannon Guihan, Chief TreadRight and Sustainability Officer noted how TreadRight started out as a philanthropic endeavor and is now firmly a core strategic agenda. Describing her role as "planting seeds" of change, she was clear that sustainability is now integrated into how TTC does business, and that doing well and doing good is possible. Key to TTC's success is tying the Sustainability Strategy directly to how it can influence the design of traveller experiences. She noted that the group's success is driven from both leadership and TTC's product and operations teams.

Notably, TTC's commitment to sustainability involves a deep engagement with its guests and travellers. For example, Tread-Right's 'The Pledge'22 asks people to signal their commitment to practicing environmentally and socially responsible tourism. Across all its companies, TTC offers its guests electronic-documents rather than printed materials. During the two-year implementation phase of this innovation, for every guest who chose this option TTC partnered with One Tree Planted²³ to plant a tree. Electronic documents are now widespread across TTC, and the group's commitment to One Tree Planted has shifted to the group's commitment to carbon neutrality and employment of renewables, as outlined 'How We TreadRight'. All TTC's hotels and river cruises also aim to eliminate unnecessary single use plastics by 2022, a commitment initially made back in 2017.

TreadRight plays an important role in educating travellers, particularly on the behaviors that can drain resources from communities and negatively impact environments. Components of 'The Pledge' encourage travellers who purchase souvenirs to pay a fair price for locally made goods, and to reject any experiences that might involve animal cruelty. TreadRight and TTC have made changes that balance the relationship of their travelers with those of communities they visit. Brands Luxury Gold and Contiki have added new travel opportunities in Colombia, a country that welcomes the additional Travel & Tourism activity as it rebuilds its economy. In European cities damaged by irresponsible tourism behaviors, TTC brands have suspended bar crawls and no longer partake in Pamploma's running with the bulls. Its 40 distinctive brands allow TTC to diversify its offerings and expand to new destinations thereby helping alleviate over-crowding.

Delivery teams, called Trip Managers, Travel Directors and Cruise Directors are provided with education and messaging materials to allow them to integrate these initiatives into their own roles. By incorporating a diverse array of voices into tours and experiences, highlighting indigenous knowledge and contributions and employing vulnerable residents, TTC is supporting equity in Travel & Tourism. TTC companies also encourage their travelers to engage directly with the communities they visit. For example, Contiki, a TTC brand targeting 18- to 35-year old travelers, presents city tours of Berlin hosted by refugees and London excursions with residents who had previously been homeless, both examples of Make Travel Matter Experiences.

TTC is privately held, which means that while it is subject to market pressures, its leaders are ultimately free to make business decisions they deem responsible and worthwhile over the longer term. Turning words into action, TTC engages its guest and travellers to buy-in to its sustainability agenda and promote responsible travel.

Costas Christ, committee chair of TreadRight's team of international advisors, interviewed for the case, was clear that a safe, healthy recovery of the Travel & Tourism industry demanded a commitment to sustainability, with human and environmental health and well-being closely intertwined. Without one, the other is not possible over the long-term. TTC leadership certainly buy into this belief, as it is the basis of Make Travel Matter.

CONCLUSIONS

The Business Roundtable's revised 'Statement on the Purpose of a Corporation'²⁴, redefines the duty of management and of boards of directors as serving society and all of its stakeholders – a radical departure form shareholder primacy. The World Economic Forum's Davos Manifesto 2020 also includes a similar list of goals and stakeholders that business must serve²⁵. The long-term sustainability leadership shown by TTC, its TreadRight Foundation and new Sustainability Strategy aligned with the SDGs reflect this paradigm shift.

Those businesses already committed to fulfilling the SDGs recognise that a profitable business over the long-term is inextricably linked to environmental and societal health. This is important in the Travel & Tourism sector as the climate crisis and the COVID-19 pandemic continue to expose the vulnerabilities of people and planet. Adopting a mindset of sustainability, with a focus on the SDGs, is a way to connect economic and social activities with support of sustainable development by the sector. TTC businesses respect the health of the natural and social systems on which we all depend²⁶ and shares its learnings and tools with others within the Travel & Tourism industry with a sincere commitment to make a difference

TTC knows that advancing sustainability does not come at the expense of profits, rather it is an effort to encourage greater resiliency at the organisational level. This 'both/and leadership'27, reflects the view that businesses can operate in a way in that is 'both' sustainable 'and' profitable, rejecting the idea that making money and improving the world are conflicting goals. Rather than thinking of business decisions as trade-offs between corporate gain and public good, these motivational drivers are held in a state of dynamic tension – they are not two opposite sides of an equation, rather they are integrated. TTC knows that a business cannot operate on a dead or dying planet, so its leaders are able to read the planet as well as the balance sheet²⁸. Highlighting TTC's sustainability leadership as a Harvard case study is not about making the case for exceptionalism - rather it seeks to identify key strategic actions by leaders at all levels that enable sustainability relevant to the global Travel & Tourism sector.





'Make Travel Matter' is a foundational purpose that harnesses the sustainability ambitions of The Travel Corporation across is multiple brands. Now expanded to link its travel experiences directly to delivery of the Sustainable Development Goals, this simple message belies an ambitious agenda to champion sustainability through connectivity, community and authenticity with a commitment to the sustainable development of tourism.

The Make Travel Matter E-Assessment tool is a commendable initiative to advance sustainable tourism. It brings rigor to the process, making visible the choices we make to benefit people and planet. Tying business decisions directly to one or more of the Sustainable Development Goals connects a traveller's personal choices with global impact. Prioritising the United Nations 2030 Agenda presents an opportunity to reset travel and tourism to assure both long-term resilience of the sector and enable it to make a full contribution to sustainable development. This new tool could help the sector deliver the SDGs and a world where "no-one will be left behind."

Highlighting The Travel Corporation's sustainability leadership as a Harvard case study is not about making the case for exceptionalism – rather it seeks to identify key strategic actions by leaders at all levels to enable adoption of sustainability across the global Travel & Tourism sector.



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NOTE: Interviews were conducted between December 2019 and July 2020.



The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism. WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

Together with Oxford Economics, WTTC produces annual research that shows Travel & Tourism to be one of the world's largest sectors, supporting 330 million jobs and generating 10.3% of global GDP in 2019. Comprehensive reports quantify, compare and forecast the economic impact of Travel & Tourism on 185 economies around the world. In addition to individual country fact sheets, and fuller country reports, WTTC produces a world report highlighting global trends and 25 further reports that focus on regions, sub-regions and economic and geographic groups.

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