

UNCTAD
Single-year Expert Meeting on
Tourism's Contribution to Sustainable Development

Geneva, Palais des Nations, Salle XXVI, 14-15 March 2013

Matthias Leisinger
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Sustainable growth and development: a Tour Operator perspective

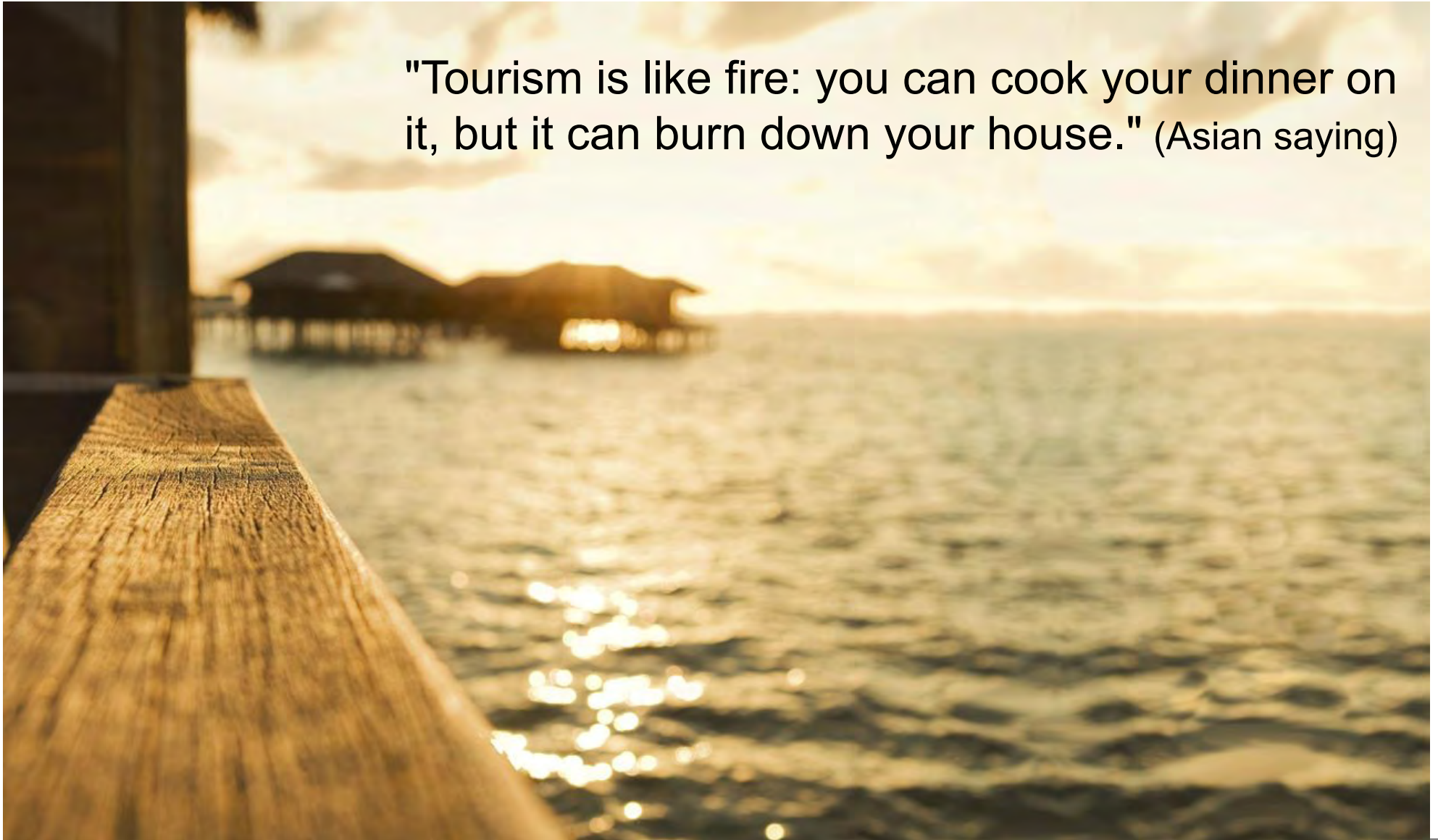
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Expert Meeting on **Tourism's**
Contribution to Sustainable
Development

MATTHIAS LEISINGER
VICE PRESIDENT CORPORATE RESPONSIBILITY
KUONI TRAVEL LTD
GENEVA, 14TH MARCH 2013

"Tourism is like fire: you can cook your dinner on it, but it can burn down your house." (Asian saying)



Kuoni Group

- ▶ Kuoni is a leading global travel and destinations management services company
- ▶ More than 12 000 employees worldwide
- ▶ Branch operations in more than 60 countries on 5 continents with more than 700 offices
- ▶ Founded in 1906 by Swiss entrepreneur Alfred Kuoni
- ▶ Head office in Zurich, Switzerland



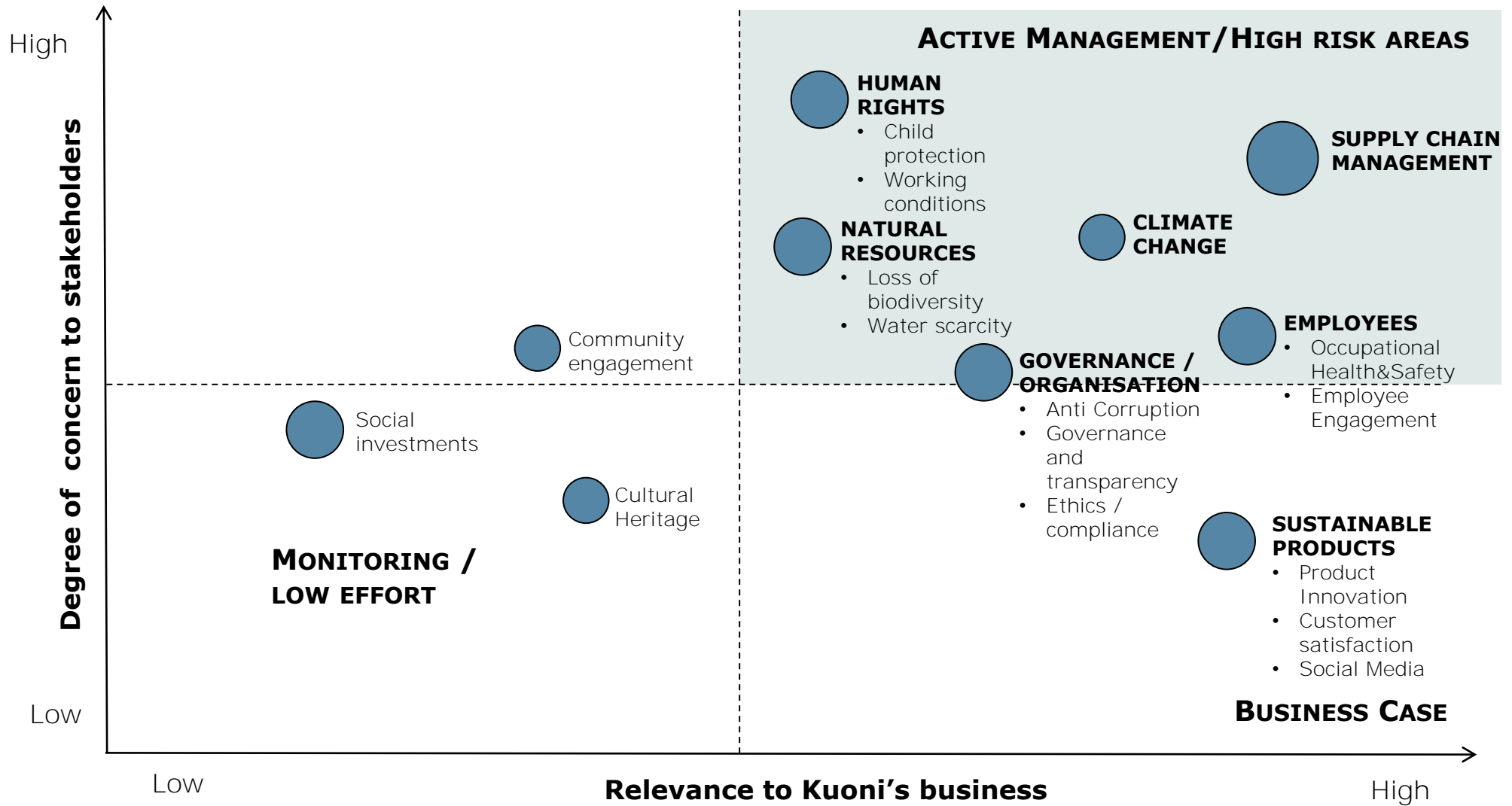


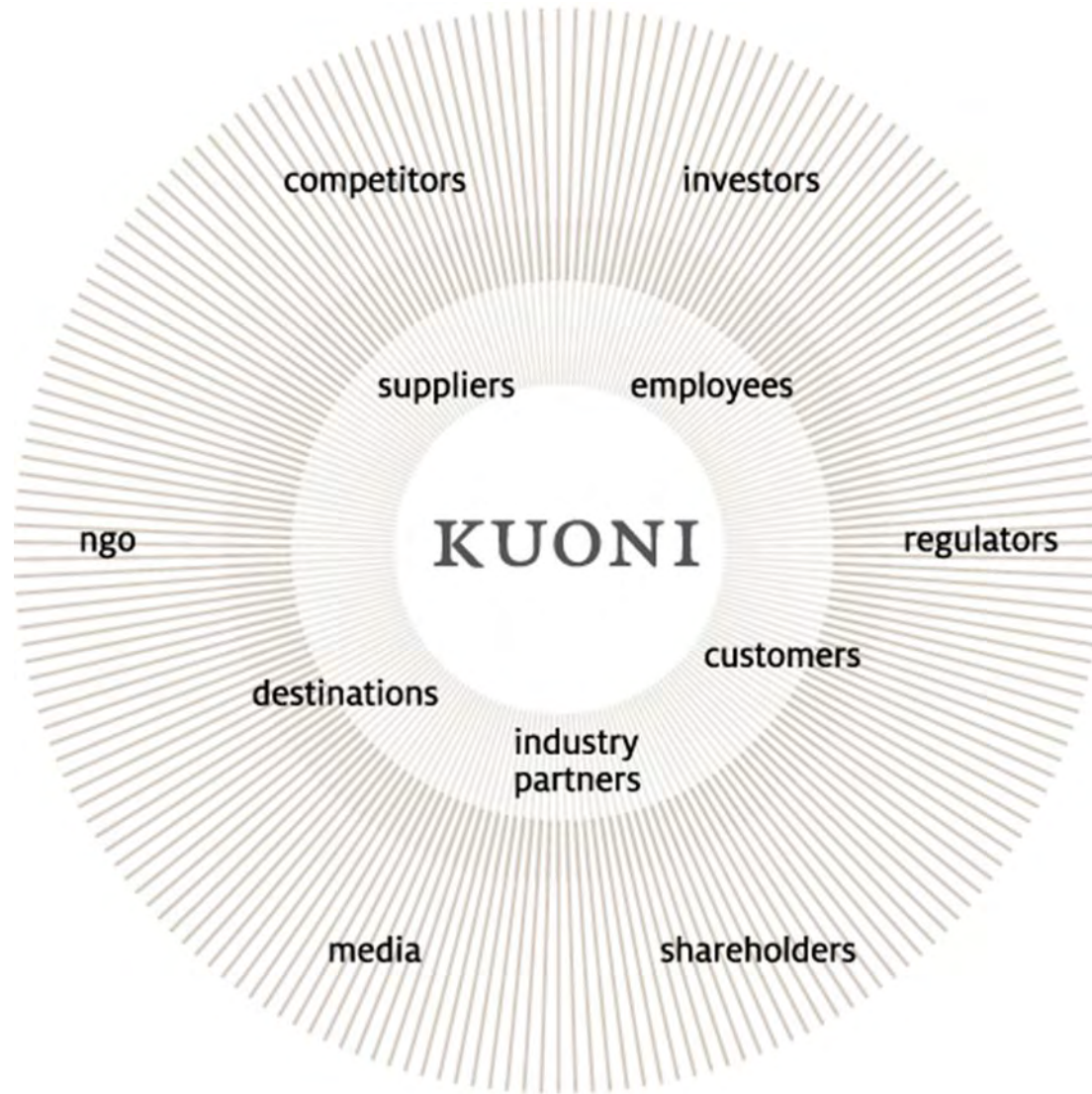
% = pro forma turnover 9M / 2011 incl Jan-April for GTA

B2B B2C



Corporate Responsibility





Enabling suppliers – labeling and certification for hotels

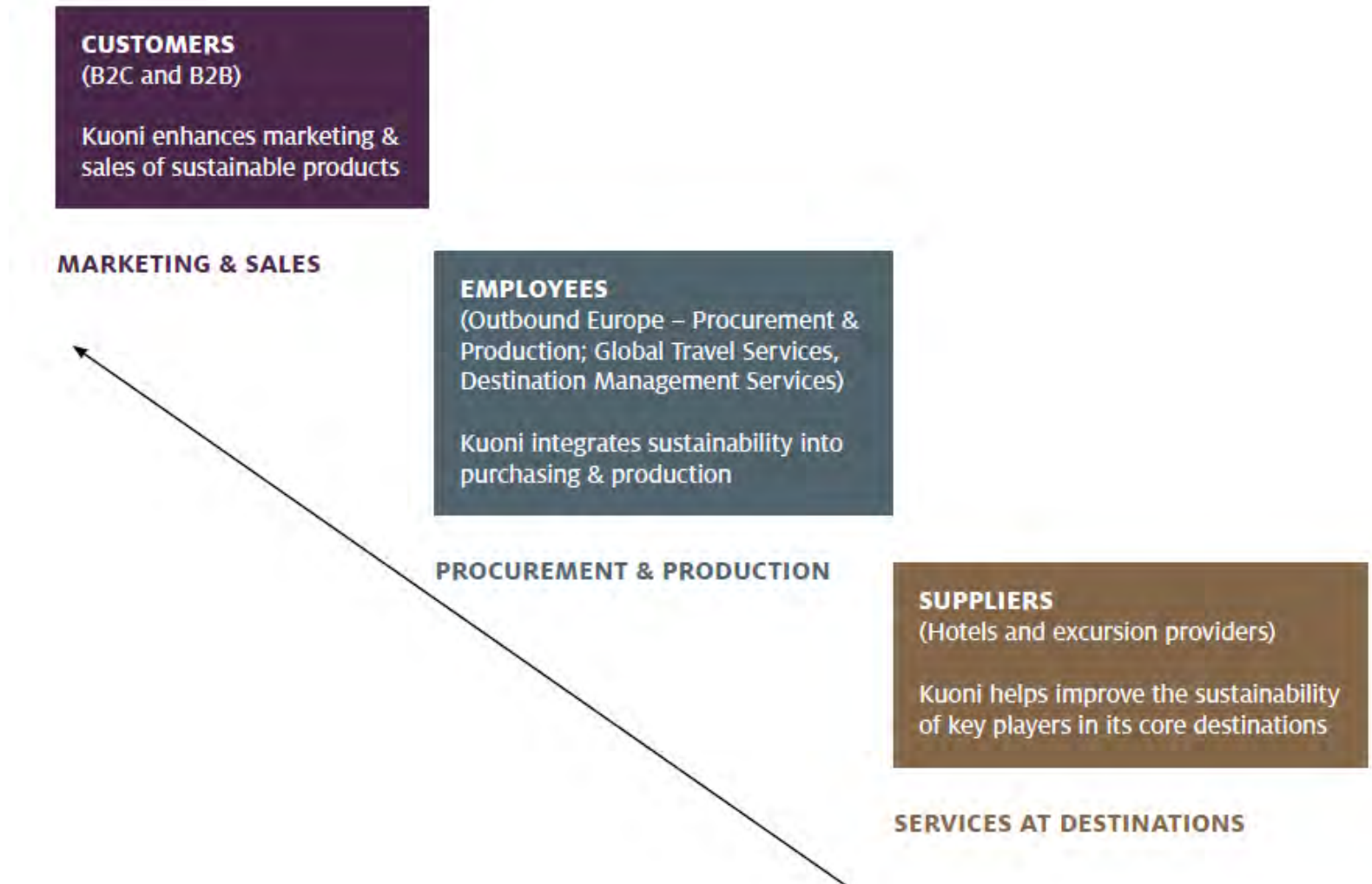
Advancing Sustainable Supply Chain Management

SUSTAINABLE SUPPLY CHAINS

- Kuoni Procurement & Production Unit, Kuoni Destination Management
- 15 000 suppliers
- Account for approx. 25% of environmental impact of a tourism package
- Greatest impact at destinations (economic, social and environmental)

PERFORMANCE

- 90% of contracts have Supplier Code of Conduct included (P&P)
- 300 top hotel partners audited by end of 2011 (covers 25% of guestnights)
- Workshops for suppliers in **Thailand, Kenya, Bulgaria...**
- Sustainable hotels labelled in Kuoni, Apollo and Helvetic Tours brochures



Managing the Supply Chain – our Approach

- 1. Engaging all our suppliers*
 - ▶ *Adhering to minimum standards of the Kuoni Supplier Code of Conduct by introducing them in our contractual terms*
- 2. Monitoring and improving sustainability performance of key suppliers*
 - ▶ *Hotel audits of key suppliers (Travelife Sustainability System)*
 - ▶ *Supporting key suppliers*
- 3. Communication and Sales*
 - ▶ *Certification and labelling of best practice hotels (Travelife Bronze, Silver and Gold Award)*
 - ▶ *Selling sustainable products to our customers: mass and premium market*

Supplier Code of Conduct

Travelife audits, Supporting key suppliers

Certification and labelling

Selling sustainable products

BACKGROUND AND DESCRIPTION

- ▶ Public-private partnership IUCN and Kuoni
- ▶ **Workshops 'Integrating business skills...'** for conservation organisations /protected area managers
- ▶ Modules: ecotourism potential, business & financial planning, human resources, sustainable operations, health & safety, marketing & sales

OBJECTIVE AND BUSINESS INTEREST

- ▶ Business interest: protection of natural sites / protected areas , development of new products for Kuoni Destination Management Specialists
- ▶ Objective: 5-day capacity building workshop for 25 conservation organisations per region, 1 region per year

(EXPECTED) OUTCOME

- ▶ More than 60 participants trained in workshops in Kenya/Tanzania/Ruanda (2011) and Laos/Myanmar/Vietnam (2012), destination tbd (2013)
- ▶ 5 new products for Private Safaris (in discussion)
- ▶ Textbook published (2012)



In each destination, the programme is implemented in three steps:

- **step 1 - understand the context** (market and natural): overview of the natural and market assets as well as the key players in each destination.
- **step 2 - build capacity and support bringing products to the best suitable market segments – knowledge sharing**: organizing and delivering the training session and in particular matching training needs expressed by the invitees and the instructors' skills. Kuoni complements the workshop by mentoring and following up with the participants individually.
- **step 3 - ensure follow up**: based on steps 1 and 2, a plan for follow up activities will be developed for each destination depending on local stakeholder needs and with partners in the destination (e.g. business to business platform, capacity development for ecotourism society, network event for investors etc.).



Involving customers

Promoting Sustainability through product innovation

SUSTAINABLE PRODUCTS

- 20% of customers in 10 European source markets look for more sustainable travel experience
- Customer communication is viable
- Increased media attention

PERFORMANCE

- Premium segment: ananea
- First Fair Trade Travel
- Mainstream segment: Travelife/Green
- Green! By Apollo increases sales by 78% since 2008
- >40 articles about CR in Swiss national newspapers in 2010

- A 2012 study done by Tripadvisor stated that 71% of those surveyed said they would make environmentally friendly choices this year
- Another 2012 study found that almost half of global consumers are willing to pay more for products from companies that show a commitment to social responsibility
- A 2011 study by Kuoni found that 22% of respondents said that sustainability is among the top three influencing factors when booking vacations
- A 2010 study done by a mass tour operator found that 44% of US and European customers said that if a company offered a sustainable holiday option, they would be interested. 44% also said they have a better image of a company that actively invest in environmental/social initiatives
- Consumer demand for sustainable products is growing: **in 2011 sustainable specialist operators experienced growth of 11%, while the industry as a whole only one percent** (Bank Sarasin)



Integrating Human and Children's Rights

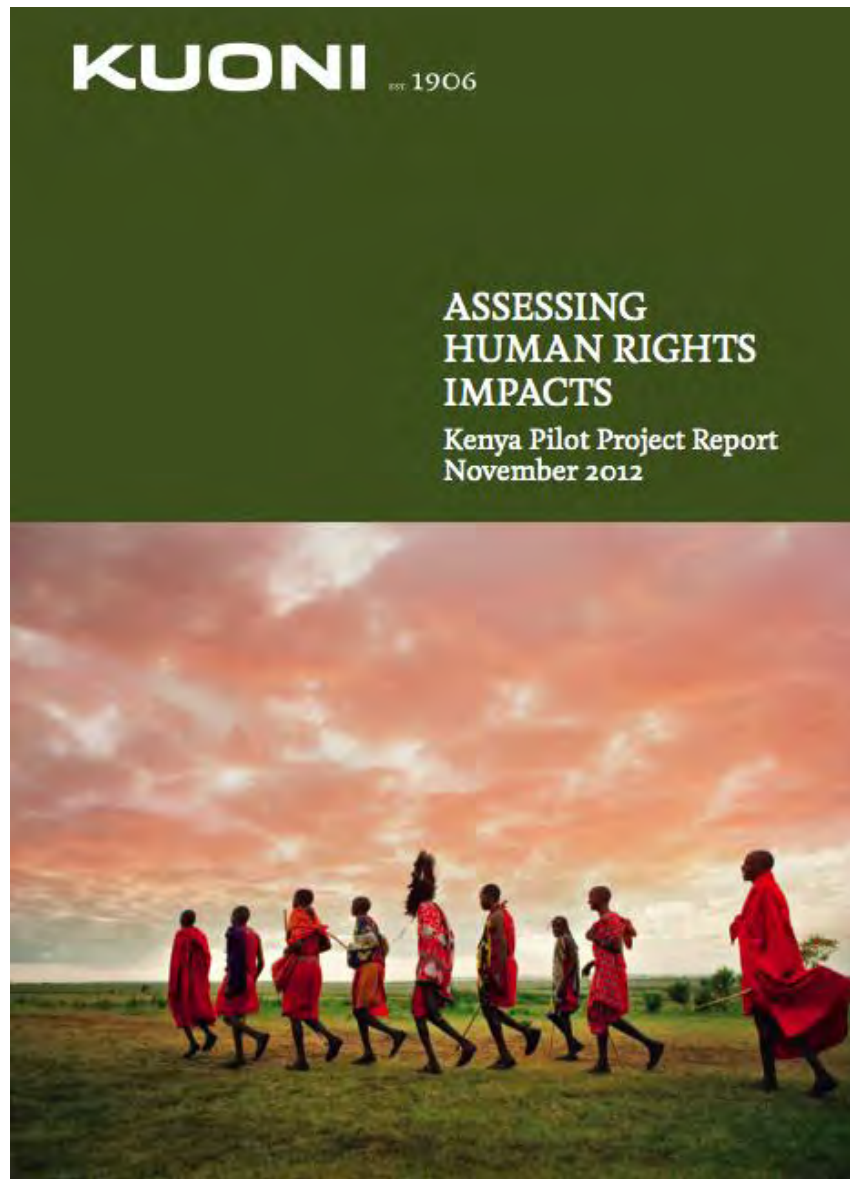
Driving child protection in the tourism industry

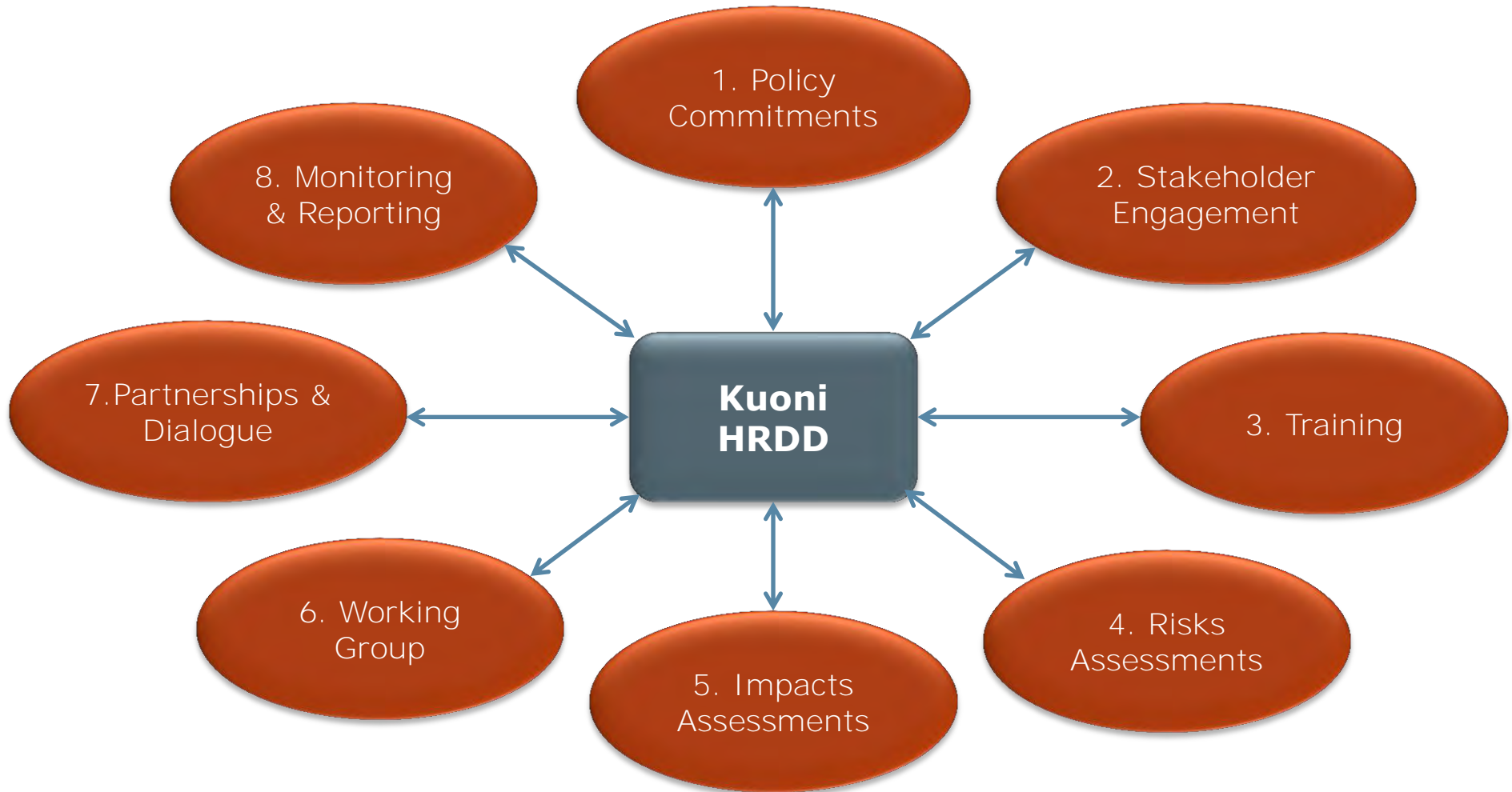
HUMAN RIGHTS

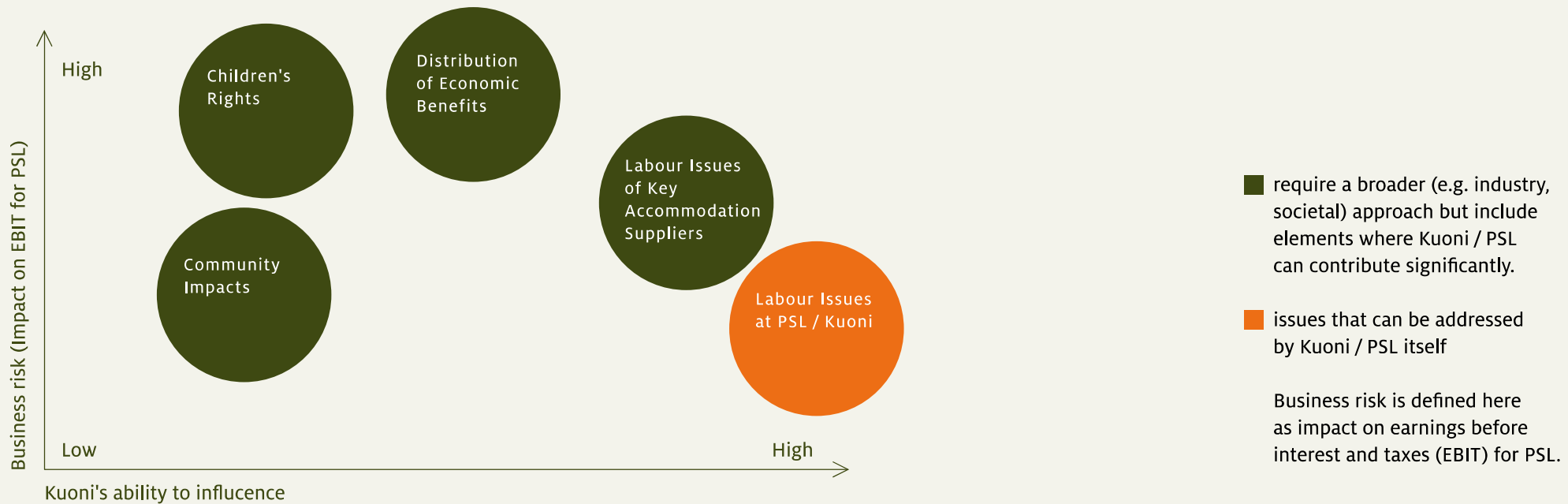
- 2 million children sexually abused per year (UNICEF)
- Tourism infrastructure is misused for sexual exploitation of children
- 250 Million people working in tourism
- Often poor working conditions (low salaries, overtime)

PERFORMANCE

- Kuoni signed the Code in 2006
- >300 hoteliers trained in child protection
- 13 human rights related standards in the Supplier Code of Conduct
- Vocational training in Myanmar







Natural Resources and impacts of Climate Change

Respecting the natural beauty at the destinations

ENVIRONMENTAL STEWARDSHIP

- Water scarcity and competition is one of the pressing issues of this century
- Negative consequences environmental impact and climate change: loss of biodiversity, beach erosions at the seaside, rising sea levels, sea surges and storms, heat waves, and upcoming water shortages
- **“The Travel industry is both: co-responsible for and affected by climate change.”**

PERFORMANCE

- Award winning myclimate project in Bali (10000 tonnes of waste recycled)
- Coral reef protection in Egypt and on the Maldives
- Water dam project in Kenya
- Biodiversity project with IUCN in Kenya and Laos

