Corporate Social Responsibility Management in Tourism Business

The impact of TUI Group and Intrepid Group on low- and middle-income countries

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ABSTRACT

Tourism can be an enormous opportunity for low- and middle- income countries with limited alternatives for development. However, it also bears several risks for the economy, environment and culture of a country. Therefore, the necessity for sustainable tourism development in low- and middle- income countries becomes inevitable to guarantee positive social impact for all stakeholders.

Instead of focusing on governmental measures for more sustainable tourism, this thesis addresses Corporate Social Responsibility (CSR). In doing so, the author compares two major international tour operators, TUI Group and Intrepid Group, their CSR approach and execution, assessing the implementation and lastly the effectiveness.

While the Intrepid Group built its business idea around CSR, TUI Group took increasingly more efforts in creating more sustainable tourism products over the past few years. Both corporations are taking a pioneering role in the sector by taking various steps to mitigate the negative social impact. Nevertheless, there still is a lot of potential for improvements.

Keywords Corporate Social Responsibility, Tourism, Sustainable Development, Social Impact, Low- and Middle-Income Countries

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1 INTRODUCTION

With tourism becoming one of the largest industries in the world, it has developed remarkable significance in the economies of nations. When applied strategically it can increase incomes and improve the access of individuals to employment opportunities and material resources. When poorly managed however, it can harm the environment, restrain business prosperity, and hamper the social development of a country.

All three aspects stand in interdependence to which negative effects low- and middle-income countries (LMICs) are especially vulnerable to. Symbolizing opportunity and threat simultaneously, the need for sustainability in developing tourism becomes paramount.

In addition to functioning as an economic driver, tourism in developing countries demonstrates global inequity. While more people from the third world try to migrate to highly developed countries, a trend can be observed in high-income tourists increasingly visiting lower-income nations. Despite this influx of cash into local financial systems, the utility of this travel in reducing global inequality and poverty remains questionable. Even more tenuous is the question if this tourism can be culturally and environmentally sensitive enough to create more value than harm.

Research in sustainable tourism has mostly been supported by public sector bodies (Bramwell, et.al., 2015). Commercial companies so far seem to not have a big stake in research matters, which is especially problematic as dedicated comprehensive research on CSR in the tourism sector is at an early stage (Bramwell, et al., 2015; Coles, et.al., 2013). Moreover, how closely CSR processes should be tied to the business, the amount of capital that should be invested, and if philanthropic initiatives should be sponsored with a foundation or by the operating budget of a corporation, are aspects which should be considered of high relevance by tourism corporations.

1.1 Research question and objectives

Facing these challenges in the tourism business this Bachelor thesis studies and compares the economic, ecological and social impacts of tourism in destinations in LMCIs using the example of a "traditional" market leader and an "ambitious" provider of sustainable tourism.

Serving this purpose, the tourism groups TUI and Intrepid have been chosen, with TUI being a long- and well-established tour operator

dominating the tourism sector and Intrepid, a corporation developing their tourism products around the concept of sustainable tourism. The research question is: What differences between TUI Group and Intrepid Group can be identified in the Corporate Social Responsibility management and its social impact on lower-income countries?

The main objective is to explore the impact of these companies on destinations and the relationship between their business practices and CSR approaches. In doing this, the corporate strategy and operations, comparative vision statements, and strategies of implementation, as well as operational measures, will be analysed. The secondary objective is to identify the core aspects of successful CSR strategies of tourism development in LMICs.

1.2 Companies

The TUI Group (later referred to as TUI), based in Hannover, Germany, is the world´s leader in the tourism industry and was established in 2007 through the merger of the tourism division of TUI AG from Germany and First Choice Holidays from the United Kingdom (TUI Group, n.d.a). With a portfolio containing 1600 travel agencies, over 380 hotels, 16 cruise liners and six airlines with approximately 150 airplanes, TUI offers their 27 million customers an end-to-end service in customized holiday experiences in 180 regions in the world (TUI Group, n.d.b).

The Intrepid Group (later referred to as Intrepid) based in Melbourne, Australia, is a global multi-brand corporation consisting of four tour operator brands and 21 destination management companies, offering the widest range of adventure tours worldwide. Founded in 1989, it developed a product range of more than 2700 trips in 120 countries on all continents for annually more than 350,000 customers of all ages, budgets and interests. (Intrepid Group, 2019a; Intrepid Group, n.d.a; Intrepid Group, n.d.b)

Both companies merged their operations in 2011, though ended this collaboration in 2014. The former cooperation, followed by the split of the companies, suggests that differences in the CSR management based on the philosophy may be apparent. For this reason, this thesis points out to what extent these differences are obvious, how differently they influence LMICs and how large-scale tourism businesses can operate in the most sustainable way.

1.3 Methods and structure

This thesis is entirely based on document analysis and thus uses secondary data. Specific methodological choices and explanations are disclosed in the introduction of every concerned chapter. Printed and electronic materials

have systematically been examined and evaluated as a method of qualitative research. Those materials ranged from background papers, books and scientific articles to press releases, organizational and institutional reports and websites, survey data and various public records. Those sources have then been appraised and compared to major themes, categories or case examples. In case of this study, the document analysis has been used as stand-alone method due to a lack of internal data and low retrievability of documentation which made it the only viable method of research. Therefore, a partly unilateral or biased displaying of certain matters could not be precluded.

The thesis includes six chapters. Following the introduction, the second chapter, Sustainable Development and CSR, provides the theoretical background of the thesis´s content. In chapter three the particularities of CSR and Sustainable Development in tourism will be pointed out as well as specifications in LMICs. The fifth section evaluates the findings of the previous chapters, which are then concluded with the other chapters in the conclusion.

2 SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

In this chapter the terms of Sustainable Development and Corporate Social Responsibility will be explained and analysed based on of scientific literature and institutional declaration and legislation. Especially literature about Corporate Social Responsibility is mostly based on Anglo-American research and findings, which cannot always be applied universally. Therefore, a more diverse set of sources was attempted to be included, especially from European origin.

To start with, the terms of Sustainable Development will be explained, beginning with the origin of the term, definitions and the development in politics. It then continues with the explanation of the Sustainable Development Goals and the connection between SD and CSR which is then elaborated in the following sub-chapter. This chapter will provide an overview of the development of the term, present the definition used as basis of the assessment of the companies and show different drivers and motivations for businesses to use CSR. Furthermore, the term of social impact will be clarified, and one well-known model of CSR illustrated. The last part of this sub-chapter deals with the meaning of the stakeholders for CSR, strategy and management of it and finally standards that can be accredited to CSR performance. The theory part is then completed with the current status CSR reporting and regulation.

2.1 Sustainable Development

The effects of unsustainable development practice are in the news regularly but a lack of understanding in the definition of sustainability is still missing in a lot of the reporting. Though this exposure may be beneficial without a fundamental common understanding of the sustainability concept change is at best, unlikely.

The term of sustainability dates back to Carl von Carlowitz (1645-1714) and the forestry industry. According to Carlowitz, only as many trees should be cleared in a forest as it could naturally regenerate within a certain time. (Grober, 2010) The principle of sustainability should ensure that a regenerative, natural system is permanently maintained in its essential properties. This laid the foundation for understanding sustainability as a resource-economic principle. Sustainability as we know it today is frequently treated as the equivalent of environmental sustainability, but the concept has been broadened to include economic and social considerations (Figure 1). (Crane & Matten, 2010, pp. 31-33)

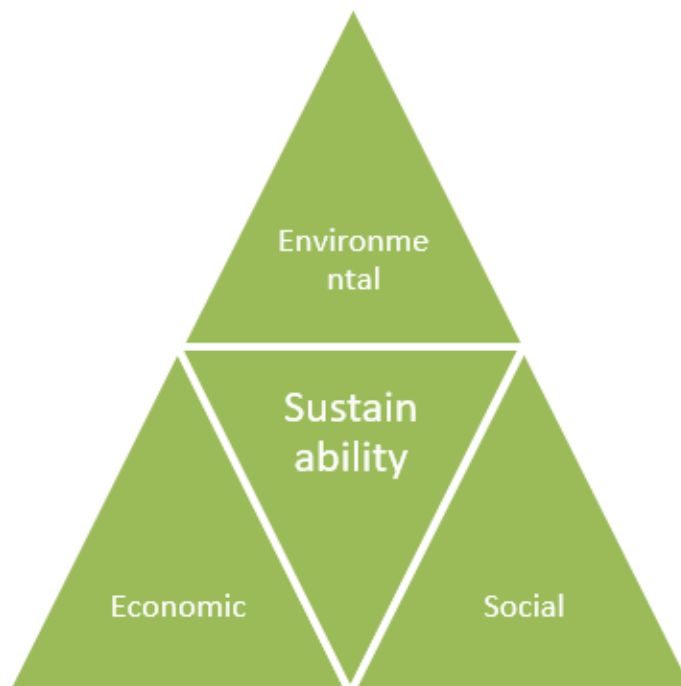Figure 1. Components of Sustainability (based on Crane & Matten, 2010, p. 33)

This notion recognizes that in addition to the environmental component, resource allocation for the development of a strong and healthy society is necessary to meet the needs of residents. At its core, sustainable development is an approach to balance these factors in frequently opposing issues. Awareness towards the limits of these three dimensions

provides a more holistic perspective of future challenges that humankind will have to face as a society and the tools at our disposal to meet them. (Sustainable Development Commission, n.d.a) As a result, sustainable development is a practice-oriented approach to maximize positive outcomes by acknowledging interdependencies between the economy, the environment, and society.

The necessity of sustainability has been proven for decades. People see the indications of multiple environmental changes, such as climate change, pollution of land, water and air, and several other effects. Despite this, the necessity of sustainability only became popular when the costs of environmental damage were quantified. The 650-page "Review on the Economics of Climate Change" study of 2007 received worldwide acclaim. Its author, former World Bank chief economist Nicholas Stern, stated: "Climate change is the largest and most widespread market failure in world history" (Stern, 2007). On behalf of the British government, he calculated the economic impact of global warming to just under 5.5 trillion euros per year by 2100.

In the focus of the international community, sustainable development has been on the rise since the 1970s. The Club of Rome referred to the "limits of growth" in 1972 (Meadows et al., 1972) and in 1987 the United Nations Brundtland Commission provided a well-accepted, now classic definition of sustainability, which will also be used as fundamental definition in this thesis:

> "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." (Brundtland, 1987, p.16)

This definition addresses two principles. On the one hand a fairer distribution of growth and prosperity between developed and developing countries should be sought, as the gap between the wealthy and poor became even more evident (Ekardt, 2005). On the other hand, the second principle consists of the intergenerational justice towards the future generations. Collectively, sustainable development has to be inclusive and especially the most vulnerable need to be protected (Department of Economic and Social Affairs (UN), 2013).

Sustainable development can be achieved if global actions are targeted with legitimate aspiration towards further economic and social progress, facilitating growth and employment while strengthening environmental protection (Department of Economic and Social Affairs (UN), 2013). At the UN Conference on Environment and Development in Rio de Janeiro in 1992, the international community agreed on the first joint steps to move closer to this goal. A next global milestone was the Kyoto Protocol of 1997, which legally bonded LMCIs to emission reduction targets, within two

commitment periods (first: 2008-2012, second: 2013-2020) (Haski-Leventhal, 2018, pp. 134-136). Later, the Millennium Summit (September 2000) in New York resulted in the adoption of the Millennium Declaration, which included the eight Millennium Development Goals to reduce extreme poverty by 2015 (United Nations, n.d.b). At the World Summit on Sustainable Development in Johannesburg in 2002, which was attended by 191 national governments and multiple other involved groups, key agreements were made, recorded in a political declaration (Johannesburg Plan of Implementation). It included various partnership initiatives as well as commitments on sustainable consumption and production, water and sanitation, and energy. (Sustainable Development Commission, n.d.)

In recent years the Paris Agreement in 2015, accelerated and intensified global efforts against climate change (Haski-Leventhal, 2018, pp. 134-136). Most recently in the Katowice Climate Change Conference (December 2018), the implementation guidelines based on the Paris Agreement were made to start applying them from 2020 on (United Nations, n.d.a). Among all these, the most significant milestone of the sustainable development discussion in a political context is the adoption of the Sustainable Development Goals (figure 2) by all UN member states in 2015, which is "the world´s best plan to build a better world for people and our planet by 2030" (United Nations n.d.b).

Figure 2. The Sustainable Development Goals (United Nations, n.d.b)

With the transition from the 2002 Millennium Development Goals (MDGs) to the SDGs, it becomes obvious that a change of the understanding of Sustainable Development has evolved. For the first time, mankind has a world advancement guideline, democratically consented upon by all countries on the planet, of accomplishing a socially inclusive and equitable world that addresses human issues and desires within environmental targets. (Rockström & DeVries, 2018)

As progression from the MDGs the United Nations recognizes that eliminating poverty can only be achieved if the strategies include economic growth as well as social needs such as education, health, equality, and job opportunities and at the same time undertake actions for climate change and the preservations of oceans and forests (United Nations, n.d.b). Each of the SDGs in figure 2 have their particular targets to be accomplished by

2030. To achieve these, political, societal and economic cooperation between all countries is needed.

With increased globalization, businesses have gained increasing influence on economic, social and environmental institutions. Despite this power, many companies are affected by inaction in sustainable development matters. For example, climate change results in increasingly volatile weather conditions, droughts and storms, which generate damage and result in enormous costs for corporations. After adverse weather events, the scarcity of resources leads to commodity price fluctuations and unstable business development. This can cut into profit margins of companies. (Sussman & Freed, 2008)

CSR can be seen as the translation of sustainable development in the corporate world and a way to address this precarity. What CSR is and how it can contribute to sustainable development will be explained in the following section.

2.2 Corporate Social Responsibility

2.2.1 History and Definition

CSR has grown to encompass many interpretations. Nowadays, many businesses are adopting CSR strategies, though implementation varies significantly. The roots of CSR in literature date back to Adam Smith´s The Theory of Moral Sentiments (1759) in which he points out that capitalism is not all immoral but can be beneficial for all involved. (Haski-Leventhal, 2018, p. 13) In the "modern" history of business ethics, scholars and experts have tried to agree upon the obligations of corporations beginning with the first definition by Bowen in 1953. He stated that CSR is a set of responsibilities that reflect the public interest in the practices of a company, which is supposed to put the total prosperity of the society in the centre of all operational measures.

But the idea of CSR is not universally adopted by business ethicists. Milton Friedman presents an opposing viewpoint. According to him, businesses only have one responsibility, which is making "as much money as possible while conforming to the basic rules of the society" (Friedman, 1970). His allegations are mainly based on three perceptions: companies are not morally accountable; the management of the company solely has to aim for yielding profit for the shareholders, and lastly; problems within the society must be handled by government due to the lack of knowledge in these matters of the businesses (Crane & Matten, 2010, pp. 61-66). This may be arguable in theory, but growing signals from the market and society indicate that companies are expected to have greater responsibility than exclusively managing their own business (Haski-Leventhal, 2018, p.15).

The CSR idea was majorly influenced by Edward Freeman in 1984, who introduced the so-called "stakeholder theory". In contrast to Friedman, Freeman stated that every company has an array of stakeholders which have a genuine interest in the company, which exceeds the group of shareholders. Stakeholders thus have to be acknowledged by the management and be considered in the decision-making process. (Crane & Matten, 2010, pp. 61-66) Anyone who is positively or negatively influenced by the performance of an organizations scope can be called a stakeholder as stated by Freeman (as cited in Haski-Leventhal, 2018, pp. 14-15). This perspective leads to a new role of management that still has an obligation to fulfil its financial responsibilities to shareholders but also manage the possibly opposing claims of other stakeholders in balance to guarantee the viability of the company (Crane & Matten, 2010, pp. 61-66). Following the stakeholder theory, CSR can be described as:

> "a view of the corporation and its role in the society that assumes a responsibility among firms to pursue goals in addition to profit maximization and responsibility of the stakeholders to hold the firm responsible for its actions" (Werther& Chandler, 2011, p.5).

Today the discussions about CSR put forth the idea that companies should develop their CSR policies from a reactionary stance to actively including CSR in the value chain (Luetkenhorst, 2004). An article by Porter and Kramer from 2002 postulated that in the long run companies have a crucial competitive advantage if they contribute to the wellbeing of the society. To do so, the corporations need to include and apply their philanthropic support to their core business strategy. This could mean aligning donations to charities the company is connected to or engaging in other activities to support their values. (Porter& Kramer, 2002) These authors expanded upon this thought in 2011 with the concept of shared value. Shared value is based on the connection between societal and economic progress, meaning that businesses should not have the objective of profit maximization anymore, but instead the objective of creating maximum shared value. With this ideology driving the formation of policy and business operation strategy, a corporation can achieve economic success and improve the competitiveness while advancing economic and social causes. (Porter& Kramer, 2011)

The European Union (EU) has applied this idea in their perception of CSR, which they define as: "the responsibility of enterprises for their impacts on society". They state that the objectives of every corporation should be the maximization of the creation of shared value for all stakeholders and the society, while preventing detrimental impacts of corporate actions. (European Commission, 2011) Consequences of this definition and further legislation by the EU, in regards of CSR, will be discussed in 2.3.

2.2.2 Strategic CSR

A new concept of CSR began to evolve simultaneously to the shared value term and the EU definition. In 2011 Werther and Chandler, put forth what appears to be the most comprehensive CSR definition. Strategic CSR means:

> "the incorporation of a holistic CSR perspective within a firm´s strategic planning and core operations so that the firm is managed in the interest of a broad set of stakeholders to achieve maximum economic and social value over the medium to long term" (Werther & Chandler, 2011, p. 40).

Their definition is the most appropriate fit to compare CSR approaches of the companies TUI Group and Intrepid Group in this thesis. The focus of this definition lies in the integration of the CSR in the strategy as well as operational measures, which is especially important in the context of tourism. In analysing the environmental aspect of CSR, it becomes obvious why this approach seems highly relevant in this business field: tourism and the environment are in a close interaction. While tourism contributes to major environmental damage, it is also the industry to suffer the most negative effects. For large parts of tourism, nature and the environment are the main sources of capital.

The strategic CSR term appears fairly complex at first glance, but it can be distinguished in six components. First, the holistic perspective: it basically means that CSR is supposed to be integrated into every aspect, every decision of the organization on all levels of the company´s hierarchy. The second component, strategic planning, describes how the holistic perspective of CSR can be induced in the corporations by tying it closely to the mission and strategy. This guarantees that all involved stakeholders comprehend the connection between CSR and the company´s vision, purpose, and objectives. With the third aspect of core operations, this thought is continued by building a connection to the company´s central business in the strategy. With the broad set of stakeholders Werther and Chandler (2011, p. 40) point out the significance of the inclusion of all stakeholders and their cooperation to create maximum economic and social value for all involved. To reach this, innovative ways must be found, which is one of the main ideas of strategic CSR and the fifth component of the term. The last component of the definition, the medium to long-term perspective, shows that the adequate way to commit strategically in terms of CSR is not focussing on short-term quarterly results but calculate long-term results and effects. (Haski-Leventhal, 2018, pp. 46-49)

2.2.3 Drivers and motivations for CSR

Several direct and indirect drivers have led to the current understanding of CSR in business. Among the most influential drivers are globalization and

digitalization. The interconnection of economies and societies changed the world with global trade, new supply chains, and the free flow of information and the rise of the Internet. What on the one hand has led to offshoring and outsourcing to countries where basic labour rights were not protected, has also brought up rising consumer awareness and activism in social, labour, environmental and human rights matters. The latter effect has even been intensified by several corporate ethical scandals and in the last two decades, such as the financial crisis of 2008. This event had a major effect on the discussion about business responsibilities and triggered the people´s claims for CSR in business. In contrast, the success of several socially responsible companies like *Ben & Jerry´s* or *the Body Shop* had a role model effect, which encouraged businesses to apply more responsible practices. (Haski-Leventhal, 2018, pp. 19-23)

There are several reasons why CSR is beneficial in the self-interest of businesses. It is simply pragmatic: a corporation perceived as irresponsible by stakeholders can easily be put under pressure by these groups. Staff can refuse to work, customers can reject certain products and brands, pressure groups can spread harmful publicity and the government can establish new legislation which limits or even terminates the corporation´s business. These factors can harm the business tremendously, which is why stakeholder interests need to be managed to maintain the company´s reputation, legitimacy, and survival in the industry. (Trevino & Nelson, 2011, pp. 21-27) From the legal perspective, it can be advantageous to implement CSR to anticipate possible legislation and in this way profit from greater legal autonomy in business operations. (Moon & Vogel, 2008)

Economic motivations for CSR grew on evidence of several studies, which indicated that CSR could induce improved financial performance, employer engagement, and brand and customer loyalty (Haski-Leventhal, 2018, pp. 19-23). A survey from 2008 by The Economist revealed that more than half of all global business leaders use CSR primarily for reputational reasons (The Economist, 2008). Connecting this with Friedman´s statements from 1970, these kinds of measures are "profit maximization hidden behind the term of social responsibility". Some truth in this cannot be denied, although it principally depends on the motives of the decision-maker (Bowie, 1991).

There are further ethical reasons for businesses to implement CSR. In the perception that corporations are a part of society, they do have an ethical duty towards their stakeholders, because it is the right thing to do (Trevino & Nelson, 2011, pp. 21-27). Simply put, society provides opportunity for business, so businesses should provide an asset to the society in form of responsibility (Haski-Leventhal, 2018, pp. 19-23). In contrast to Friedman´s statement, many companies establish a vision, mission and values to follow. Out of these factors, the so-called organisational culture emerges (Moore 1999), which guides as a moral agency in the decision-making process and hints that a company has some sort responsibility which goes

beyond the ones of the individuals (Crane & Matten, 2010, pp. 48-52). Conversely, as perpetrators of the damage to some social institutions, businesses should have the responsibility to reimburse or at least plan against further degradation of social goods (Crane & Matten, 2010, pp. 48-52).

Though CSR should be used to encourage the adoption of progressive policies within businesses, the CSR approach of a company should not be connected with cause-related marketing and green-washing. Both ideas lack strategic consideration and the real integration of ecological actions instead of real responsible strategies and are a manipulation tactic. (Lund-Durlacher, 2015, p. 62)

Despite the issues mentioned above, there are several factors which deter enterprises from practicing CSR. The main barrier is the time and effort CSR requires to be implemented and consequently the high costs (Bohdanowicz, 2005). Moreover, the lack of knowledge and awareness in the boardroom or insufficient encouragement from the government can limit the chances of CSR introduction (Lund-Durlacher, 2015, p. 67).

2.2.4 Social impact

One of the costs created by CSR can be the assessment of social impact. With increasing claims of social contributions by companies the public raised demands of proof of the impact and difference these corporations claim to make. (Haski-Leventhal, 2018, pp. 228-30)

> "Social impact is the changes of people´s way of life, their culture, community, political systems, environment, health and wellbeing, personal property or rights and their fears and aspirations" (Vanclay, 2003, p.8).

How this can be achieved and for what reason it should be, is stated in Auerswald´s definition (2009, p. 52):

> "Social impact is the creation of benefits or reductions of costs for society- through efforts to address societal needs and problems in ways that go beyond the private gains and general benefits of market activity".

To make their social impact observable companies need to assess it by examining, auditing and managing the planned and unexpected outcomes of CSR actions (Vanclay, 2003, p.8). Social impact assessment can provide the corporation with useful information and essential benefits. By bringing an asset to organizations in planning more productively, implement successfully and making results comparable, it can enhance the value of applied CSR programmes (Haski-Leventhal, 2018, pp. 227-31). It leads the corporations one step further in achieving more transparency towards

their stakeholders by making CSR operations accountable and can promote better stakeholder communication and engagement. Finally, the assessment makes it easier to identify and define an organization´s CSR goals and objectives and may additionally encourage competitors and others to follow a goal-oriented approach. (Haski- Leventhal, 2018, pp. 227-231)

For this purpose, numerous indicators, measuring the economic, environmental and social factors, can be used adapted to the company´s business, relevant stakeholders and the business environment. To summarize, several tools and frameworks have been invented to simplify the introduction of social impact assessment in organizations. Their distinctness is based on different levels of sophistication, required knowledge for adoption, the target group and whether they are more quantitative or qualitative. The choice of the corporation should depend on the purpose it is supposed to serve and the company´s resources and competencies in this context. Despite the benefits, social impact assessment can be challenging. It requires time, work and expertise and creates as previously mentioned costs for the corporation. However, it is an essential part of successful CSR management and therefore needs to be addressed. (Haski-Leventhal, 2018, pp. 227-31)

2.2.5 Components of CSR

To illustrate the components of CSR Archie Carroll (1991, pp. 39-48) created one of the most acknowledged models of CSR (figure 3) in 1991 based on his definition from 1979: "CSR encompasses the economic, legal, ethical and philanthropic expectations that society has of organizations at a given point in time".

Figure 3. The Pyramid of Corporate Social Responsibility (adopted by Carroll (1991, pp. 39-48))

In this model, CSR is presented as a multi-layered concept which can be divided into four components. Those components are in close interrelation: economic, legal, ethical and philanthropic responsibilities. All four types of responsibility are based on the expectations the society has towards the corporation and must be equally considered (Haski-Leventhal 2018, pp. 31-36). With the economic responsibility as the base of the pyramid, it represents the foundational requirement in business and in this way, it symbolizes the reason why the company is set up in the society (Crane & Matten, 2010, pp. 53-55). The basic functions as a business unit such as producing goods and services that satisfy consumers and gaining a reasonable profit with it are the content of this element (Carroll, 1991, pp. 39-48). But this can also be extended by providing employees jobs and generating shareholders an acceptable return on investment (Crane & Matten, 2010, pp. 53-55) which leads to contributions to a vibrant economy (Trevino& Nelson, 2011, pp. 21-27). These economic responsibilities are a necessity as a solid base for all corporations (Carroll, 1991, pp. 39-48). Legal responsibilities require organizations to obey the law. Legislation is the codifications of society´s moral and a representation the minimum of what morality the society demands. (Crane& Matten, 2010, pp. 53-55) The fulfilment of legal responsibilities is as fundamental as the economic responsibilities for CSR (Carroll, 1991, pp. 39-48). Ethical responsibilities extend beyond legal obligation and embody the expectations that stakeholders have of societal moral norms. (Carroll, 1991, pp.39-48) These responsibilities can, for example, be voluntary actions for the decline of greenhouse gas emission. The philanthropic responsibilities cover what is desired by society but not expected. They can be initiatives to improve the wellbeing of employees (with for example recreation facilities) or funds allocated for supporting local communities (Crane & Matten, 2010, pp. 53-55). According to Carroll (1991, pp. 39-48), philanthropic responsibilities are less important than the other three and depend on the goodwill of the corporation.

The pyramid model is helpful to illustrate the basic idea of CSR although it has some weaknesses. The main issue of it is that it does not show what is supposed to happen if two different responsibilities are conflicting, like if a company has to lay off employees to guarantee the survival of the business (Crane & Matten, 2010, p. 55). Another problem is that it at first glance seems like a hierarchical order of responsibilities with differing importance. Although Carroll argued that the different levels of CSR are to be fulfilled at the same time, this may not be readily apparent. Lastly, the pyramid is based on an American understanding of capitalist societies and cannot be applied to every other country or business. Especially in LMICs the perception and expectations of what business responsibilities are supposed to fulfil can differ from this model. For governmental or civil society organizations, the concept is also not applicable, as the whole purpose of their operation differs to the capitalistic one. (Haski-Leventhal, 2018, pp. 31-36)

2.2.6 Stakeholders

How a company develops and implements it´s CSR strategy depends on the awareness they have towards their social obligations as well as the company´s profile. Nevertheless, a common practice is to first identify and manage the stakeholder landscape and expectations as a prerequisite to the development of a strategy. (Lund-Durlacher, 2015, p. 62) As mentioned in chapter 2.2.1 stakeholders are individuals or groups who can influence or are influenced by the actions taken by the corporation (Freeman, 1984).

The importance of stakeholder´s involvement has not only been emphasized through aspects of ethical and economic thinking but also their interest has increasingly been legally protected. Suppliers, employees, and consumers are partly protected by legally binding contracts, but further legislation has been triggered by society´s expectations, such as EU social contract legislation to guard labour rights. The array of stakeholders is different from company to company or even within it, depending on the project or current circumstances. This makes it even more difficult to determine a definite group. (Crane & Matten, 2011, pp. 61-66)

Figure 4 shows the stakeholder groups according to Evan & Freeman (1993). The corporation is centralized in the middle with interrelations to six typical stakeholder groups of a company. These two-way relationships can be shareholders, suppliers, and employees supplying the basic resources in form of investments, labour, and material for the production of the company (Crane & Matten, 2010, pp. 61-66). In return, they get their return on investment, wage, and payment.
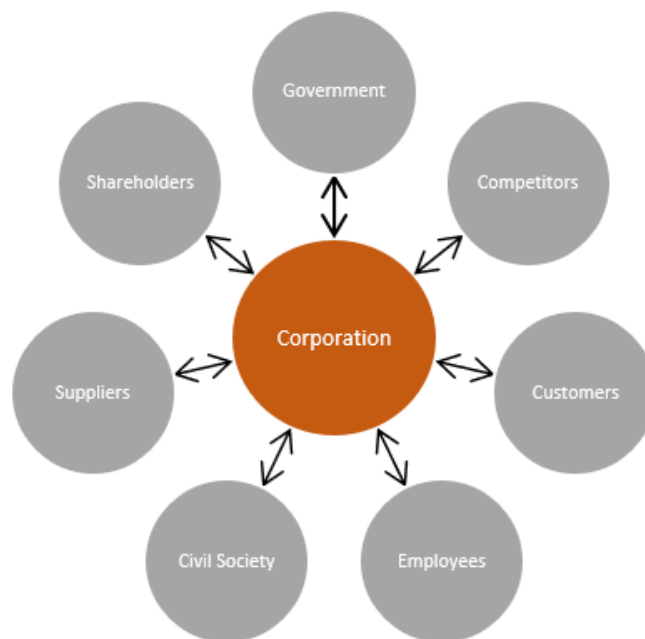
Figure 4. Stakeholder groups (Evan & Freeman, 1993)

What the stakeholder theory does not cover is the effects of corporations on the environment, animals, and biodiversity, even though these are majorly influenced by corporate actions (Haski-Leventhal, 2018, pp.56-73).

Stakeholder groups of the company have their own set of stakeholders, which can affect the company throughout the supply chain. These are likely to be interconnected with other stakeholders of the firm. The result is a network model of stakeholders (Rowley, 1997). This is exemplified by several corporate scandals of the past years, where employees of suppliers in developing countries or public media claimed the company to take responsibility for the violation of labour rights by the supplier, can be seen as proof. They complained that corporations support unethical practices by procuring from these suppliers without checking the production situation. According to Evan & Freeman (1993), every corporation has the obligation to respect the rights of indirect stakeholders, at a minimum to actions that have relevance on those. To conclude, managing indirect relationships via the immediate stakeholders adds another component to the company´s stakeholder management.

How well companies navigate their stakeholder management depends on several factors. This depends on the construction and operation of communication processes and the voluntary consent of all parties. To successfully manage stakeholders, the company also needs to define the exact boundaries of their strategy. They have to be proactive in the in anticipating with the stakeholder´s interests and organizing resources accordingly. (Freeman, 1994, pp. 409-421)

Most literature about the stakeholder theory and its implications are Anglo-American and cannot completely be directly transferred to a European or Asian context. For example, the shareholder issue in countries like Germany, France or Japan has never been as strongly dominant as in the US because many corporations in these countries are in direct ownership or even owned by the state. Consequently, the rights and respect of specific social groups have traditionally always played a bigger role in these countries and the transition to the stakeholder model was not as distinctive as in America. For example, in German public shareholder-owned companies at least one-third of board members must be representatives of the workforce. (Crane & Matten, 2011, p. 65) This implies that the implementation of the stakeholder theory does not only differ upon the company itself but also on the cultural and legislative environment.

2.2.7 Strategy and Management

The developments of CSR can be regarded as an organizational change process that requires learning over time (Maon et al., 2009). The first step is strategy, which can be implemented using different instruments and frameworks (Werther & Chandler, 2011). The aim of strategy development including CSR must be to align the corporation with changing market demands as well as the social environment by analysing and managing stakeholder expectations (Maon et al., 2009). Essential for this is the integration of CSR in the mission and code of conduct by the head of the corporation to provide guidelines for all stakeholders and management to follow (Lund-Durlacher, 2015, p. 65, Haski-Leventhal, 2018, p.121). One option for supporting the implementation process can be the introduction of a CSR officer. A CSR officer is a company´s executive who defines, implements and revises the CSR endeavours and assists in legal and regulatory or certification affairs. To guarantee the effectiveness of the CSR officer´s work the company must grant access to the highest levels of the decision-making process and a direct reporting relationship to the board. (Werther & Chandler, 2011)

For managing a company´s social impact and their stakeholders, the materiality of certain aspects and challenges of CSR endeavours need to be determined. For this, a materiality analysis and matrix can be a useful tool to illustrate and clarify focuses the corporation should aim attention at. The business first needs to choose the most relevant CSR challenges and stakeholder groups for their operations. Then, those challenges must be assessed using criteria aligned to the company´s strategy and its reputation by rating every single challenge from every stakeholder group´s perspective, considering the substantial influence on the decisions, and from the company´s perspective (e.g. rating for each criterion: 0 = not relevant, 1 = important, 2 = very important, 3 = essential). Out of this the stakeholders average gets determined and compared to the company´s business interest in the topic using the materiality matrix with the

company´s interest on the x-axis and the stakeholder´s interest on the y-axis. Out of the resulting matrix (Figure 5) the company can prioritize its CSR measures, focussing on topics that rank high for just one or both dimensions. The materiality matrix can be adapted to every company´s special requirements. For example, if the company wants to differentiate the stakeholder upon their relevance for business operations their materiality denomination can get multiplied or the criterion ratings can be chosen differently. (GRI standards, n.d.; Alstom, 2014)

Figure 5. Materiality matrix (GRI standards, n.d.)

Institutional frameworks for CSR implementation exist, such as the International Institute of Sustainable Development. According to this framework, it is crucial for the implementation process to integrate CSR on all levels of the corporation´s hierarchy in the decision-making. There are six tasks which a company needs to fulfil the implementation process. Firstly, all CSR relevant aspects and factors must be assessed and then a strategy and the commitments must be developed. Further, these commitments must be operated in an integrated decision-making structure and finally the whole implementation must be reported to create the opportunity of evaluating and enhancing the process. (Hohnen, 2007)

2.2.8 International standards and schemes

International Standards are another method of introducing CSR management systems into the company. ISO standards are reports consisting of useful information and best practices. The idea behind these

kinds of standards are sharing effective concepts and solutions, technological expertise and best management practices. (International Organization of Standardisation, 2018) In CSR management and strategy development, three specific standardization families are applicable. ISO 26000 provides guidance in how corporations in all sectors of the economy can manage their business in a socially responsible manner. The document contains information about the significance of social responsibility for business operations as well as suggestions about actions, results, and improvements in social responsibility performance. ISO does not set requirements but acts as a guide to businesses. ISO 26000 contains seven principles of social responsibilities: accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human rights. (Haski-Leventhal, 2018, pp. 262-64)

The other relevant ISO standards are the ISO 14000 family of environmental management standards, which are intended to provide organisations with a proactive concept to devote efforts to environmental issues. There are more than 600 international standards for observing climate change factors, such as ISO 14031 for guidance on evaluating environmental performance or ISO 14001 which is the world´s most acknowledged scheme for environmental management systems. With it, companies all around the world can regulate their environmental impact more easily and are provided with a guideline for their environmental management. (Haski-Leventhal, 2018, p. 263)

Alternatives to ISO are for example ecomanagement and audit schemes such as EMAS (EU Eco-Management and Audit Scheme) from the European Commission, or SA8000 from the Social Accountability Accreditation Services. The latter is used to certify CSR management practices in respect for human rights and right of workers, protection against exploitation of children, and safety and health-related aspects. (Haski-Leventhal, 2018, pp. 263-64) All mentioned standards are meant to contribute to the Sustainable Development Goals.

An initiative applied and signed by more than 13,000 companies (2017) is the UN Global Compact which functions as open forum for initiating change processes and sharing ideas. The UN Global Compact consists of ten principles in topics of human rights, labour, environment and anti-corruption which are based on globally agreed conventions and treaties (e.g. Universal Declaration of Human rights, the Rio Declaration on Environment and Development, the UN Convention Against Corruption etc.). With a comprehensive consultation process the UN supports businesses to improve their operations in these matters and encourages the adoption of sustainable and socially responsible policies. (Haski-Leventhal, 2018, p. 254)

Another way of presenting social commitment in terms of modern slavery is the publication of a Modern Slavery Statement. In accordance to section 54 of the UK Modern Slavery Act, commercial organisations located in the UK with a yearly revenue of more than £36m must create and publish a statement about their approach of addressing and preventing the modern slavery in their operations and supply chains. (Modern Slavery Registry, n.d.)

A comprehensive certification scheme is the B Corp certification that does not asses the product or service of a company itself but evaluates the overall social impact. To become a certified B Corporation a company must reach a minimum score of 80 points out of 200 on the B Impact assessment which consists of a strict assessment of how a company affects its staff, customers, the society and environment, including supply chains, charitable projects and donations as well as employment perks. The reports are then being published on bcorporation.net. (Certified B Corporation, n.d.)

2.3 CSR reporting and regulation

To effectively manage CSR, the performance of the corporation needs to be assessed and evaluated. For this purpose, the compiling of CSR or sustainability reports have become a common tool. Objectives and forms of sustainability reporting can vary depending on the business environment. Based on the stakeholder expectations and motivation of the management, different forms of reporting can be considered suitable. The reporting of the economic, social and environmental impacts of corporate activity becomes more and more common in international business. (Fifka, 2014, pp. 21-34)

Already in 2011, 95% of the 250 biggest companies in the world issued a sustainability report voluntarily (KPMG 2012). While reporting in industrialized countries and emerging markets is becoming more and more important, it remains largely insignificant in low-and middle-income countries (Fifka, 2014, pp. 21-34).

In the past years, standardization in reporting has developed to a greater extent. Companies are increasingly designing the content of their reports according to specifications that require the publication of certain key figures and thus facilitate comparability. In the course of this development, GRI has become the dominant reporting standard. (Fifka, 2014, pp. 21-34) Other previously mentioned standards can also be helpful (ISO 26000 is even directly linked to GRI standards) in the development of the reporting. While these are standards that can be adopted voluntarily by corporations, the EU has issued the 95/2014 directive to generate binding disclosure of a non-financial statements by major public interest enterprises which have annually more than 500 employees on average (European Parliament and Council, 2014).

The directive has come into effect since the financial year 2017 and affects approximately 6,000 companies in the EU. The reports must include several aspects including environmental, social and employee-related, respect for human rights, anti-corruption and bribery matters. The directive does not define a specification for utilizing a reporting framework, however, recommends following internationally recognized standards or guidelines like ISO 26000, GRI, or the OECD guidelines for multinational enterprises (and others). (European Parliament and Council, 2014) With this directive, the European Union demonstrates the commitment to support and demand social practices in business and a more sustainable global economy.

3 SUSTAINABLE DEVELOPMENT AND CSR IN TOURISM

Chapter three begins with the significance of tourism as business, presented by the demonstration of the diverse social impact tourism can have in matters of economic, environmental and cultural impact. TUI and Intrepid are both tour operators therefore, their differences in impact to other tourism businesses is specifically pointed out. For the purpose of demonstrating the growing demand for sustainable tourism survey data by two major tourism corporations has been employed in the sub-chapter of drivers and motivation.

Chapter 3.2 will provide a brief overview of particularities of tourism in destinations of low- and middle- income countries and out of this the core elements of sustainable tourism, including affected SDGs and CSR & sustainable tourism development in LMICs are being analysed. The chapter is then completed by a case example which shows the positive and negative impacts of tourism as well as one example of sustainable tourism operation in a country where Intrepid and TUI are operating, Sri Lanka.

In this thesis, the terms of low- and middle- income countries are used to describe economies with a lower economic development status. Colloquially, these are often referred to as developing countries, though the term lacks official precise and updated definition. Additionally, this caption can easily be understood as a judgement of the development status and therefore should be cautiously used in the scientific context. (Khokhar & Serajudin, 2015)

For this reason, the following text will be based on the categorization of the World Bank, which groups countries into four income divisions: low, lower-middle, upper-middle, and high. The income is calculated upon the gross national income (GNI) per capita in US dollars. In 2019, low-income countries are categorized as those with a GNI per capita of $995 or less; lower-middle-income countries with a GNI per capita between $996 and

$3,895; upper-middle-income countries with a GNI per capita between $3,895 and $12,055 and finally high-income countries with a GNI per capita of $12,056 and more. (The World Bank, n.d.b)

In chapter 3.1.6 the topic of demand for sustainable holiday is treated. Because there was no official statistic publicly available, the results of two surveys from the private sector are being used to proof the existence of demand for sustainable tourism.

The chapter 3.4 demonstrates a case of tourism, it´s social impact and an example of sustainable tourism in the lower middle-income country Sri Lanka. Therefore, four different studies, conducted in different regions on various aspects of tourism in Sri Lanka, between 2014 and 2018, have been analysed. Additionally, concrete numbers about the economic impact have been taken from an official report from the World Tourism and Travel Council to confirm the findings about the economic impact. The first study examined the changes influenced by development of tourism in terms of sociocultural life in Hikkaduwa resort (Ranasinghe, 2014). Study number two considered the main social and economic impacts on local community through tourism development in Kandalama area of Sri Lanka (Nayomi & Athula Gnanapala, 2015). The community and tourist perception of Sinharaja forest was object of study in the third study (Liyange, et al., 2014). And finally, the fourth study dealt with the tourism induced disturbance of wildlife conservation (Ranaweege, et al., 2015). All studies used a wide range of data collection methods utilizing quantitative and qualitative research instruments as primary sources, namely interviews, discussions and observation, and document studies as secondary literature sources from scientifically acknowledged tourism literature and online media.

3.1 The significance of sustainable tourism as a business

Tourism encompasses all activities of people travelling in and visiting locations outside their usual environment for not more than one year for vacation, business and other intentions. Nowadays the term of tourism is connected to a growing awareness of how it can have a direct, indirect or inducing effect on the economy (Commission of the European Communities, et al., 2001). With its increasingly important role in international commerce, tourism has for many low-middle-income countries become the main income source. Diversification and competition among destinations are the results of the overall growth of the sector. (World Tourism Organization, n.d.a)

The progress of tourism was fuelled by the ability of modern shipping and aircraft, which provides access to even the most remote places on earth. Globalization curbed international tension between many nations which not only facilitates visa issues but also accelerates the curiosity for other cultures. The growing disposable income in industrialized but also

increasingly medium-income countries has contributed significantly to this development, while the rise in competition led to lower prices and made travelling more affordable. (Sezgin & Yolal, 2012) Tourism is relevant almost everywhere in the world, either as a region of origin or destination for visitors. It serves needs in economic, foreign currency and employment matters, especially in smaller lower-income countries with limited other resources. (Middelton & Hawkins, 2002)

In earlier days, tourism has not received a lot of attention in the sustainability discussion. The first time that common challenges and recommendations for tourism have institutionally been addressed was in the Brundtland report (1987). In the document aspects of conservation outside protected areas, wildlife-based tourism and the role of small-scale tourism in sensitive communities were mentioned (Hardy et al., 2002, p. 481). However, at other milestones of the sustainable development discussion, for example, the Rio Earth Summit, tourism has just been acknowledged as a side note with ecotourism being part of improving forest management (Sanchez, 2018; Hardy et al., 2002, p. 481).

To encounter the lack of attention, the World Travel and Tourism Council established the "Agenda 21 for the Travel and Tourism Industry", based on the Rio´s Agenda 21 principles, to promote actions in tourism towards a more sustainable development (Sanchez, 2018). This was followed by TOURpact, the framework for tourism partnerships for development. It was created by the WTO on the basis of the MDGs to achieve progress in the CSR endeavours in international tourism (World Tourism Organization, n.d.b.).

In the Agenda 2030 tourism has been firmly positioned. While having the potential to contribute directly and indirectly to all Sustainable Development Goals (SDGs), sustainable tourism is specifically included in the targets of the Goals 8 (inclusive and sustainable economic growth), Goal 12 (sustainable consumption and production) and Goal 14 (sustainable use of oceans and marine resources). UN Secretary General Ban Ki-moon stated: "Harnessing tourism's benefits will be critical to achieving the sustainable development goals and implementing the post-2015 development agenda". (World Tourism Organization, 2015) How exactly tourism contributes to the specific targets will be highlighted in 3.3.3.

Tourism in general faces many critics in matters such as being the main cause of environmental pollution and being build on the fragments of local cultures. If it is more or less beneficial for the environment than other major global industries, though is questionable, but it may be more amendable. (Middleton& Hawkins, 1998)

3.1.1 Social impact of tourism

The United Nations World Tourism Organization (UNWTO) remarked tourism as one of the key drivers of socio-economic progress as international tourism reached 1,326 million total arrivals and 1,340 million of total receipt in 2017 (Word Tourism Organization, 2018).

International tourist arrivals (million)

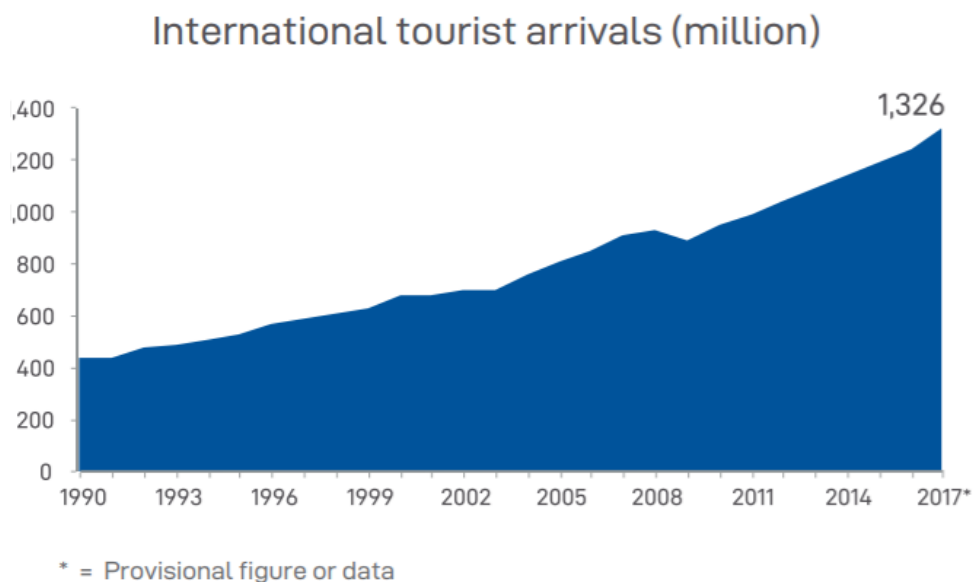* = Provisional figure or data

Figure 6. International tourist arrivals (World Tourism Organization, 2018)

Figure 6 shows the strong development of tourist arrivals since 1990. With growth of 7,0% in 2017 the highest increase since the financial crisis of 2007/2008 has been reached, which outperforms the UNWTO´s forecast of 3,8% annually (from 2010 to 2020). Causes of this rise can be found in the global economic upswing, a sustained travel demand for destinations all over the world and a recovery of specific regions that suffered from security challenges in recent years. (Word Tourism Organization, 2018)

With its success in economic growth in the last thirty years, tourism has excellent prospects for the future (Middleton & Hawkins, 1998). For this reason, it not surprising that destinations want to attract more guests to benefit from their expenditures. Governments invest highly in marketing measures, yet frequently focussing on attracting a large number instead of the type of tourists. (Mullis, 2017) This causes destinations becoming victims of their own success. Rapid and intensive tourism development often leads to fewer positive effects than small scale and more sustainable development (Pearce, 1989, p. 274). When increasingly large numbers of tourists arrive at the same location, issues like overcrowding, increased stress on public services and infrastructure, cultural homogenization and growing dissatisfaction from the local population occur. Destinations have problems to keep up with the ad hoc development and attract public

oppositions and tensions between locals and guests. This can lead to a significant deterioration of the quality of life of the residents and the holiday experience for the tourists. (Mullis, 2017)

Even though a large number of tourists is globally acknowledged as important development indicator, conventional mass tourism may cause a wide range of negative impacts on the economy, environment and culture (Aslam et al., 2012).

There are numerous indicators which can give corporations an insight of their impact and potential to improve. These indicators should always be chosen on the background of the destination and its local circumstances as well as the type of business operations of the company. In appendix 1 a comprehensive list of possible indicators can be found.

3.1.2   The economic impact

Tourism represents one in 10 workers and contributes to 10 % of the world´s GDP (direct, indirect and induced). Positive economic effects by tourism are accelerated by the so-called multiplicator effect. It describes the impact tourism has in producing economic and employment opportunities in related sectors like construction, agriculture or telecommunications (World Tourism Organization, n.d.a).

This means that tourism does not only have direct effects on the economy by expenditures of guests on tourism-related products but also affects it indirectly. This comprises all expenses for non-tourism-related products, such as food and beverage, equipment and merchandise acquired by tourism establishments. Moreover, tourism can induce effects, which means that employees of the tourism industry spend their salaries on products of the general economy. Regularly wealthy locals or internationals profit from the direct effects of tourism with their hotels, restaurants or tour companies. Nevertheless, the indirect and induced effects distribute the generated incomes to the lower layers of the economy. (Mitchell & Ashley, 2010, p. 72)

When tourism develops at a new destination it attracts investments in infrastructure, airports, airlines, railways, ports and tourist attractions, primarily in urban areas, cultural and natural heritage sites and attractive landscapes. This can reinforce short-term economic development and improve the quality of life of the local population. (Mullis, 2017)

While tourism does create many new jobs in the industry itself and related industries, many of them are usually seasonal, un-skilled and low-paid. In addition, it can affect traditional work patterns, for example, the abandonment of agricultural occupation. (Rátz, 2000)

3.1.3   The environmental impact

Another aspect is that a huge part of the economic growth has been reached on the cost to the environment of destinations, which often led to a reduction of the quality of life of local residents but also puts the future of local tourism businesses in jeopardy. (Middleton & Hawkins, 1998)

Due to tourism´s importance as an economic sector, promoting it can be a way of sustaining the demands of a growing population. However, it is essential that those destinations and tourism businesses comprehend how modern tourism can harness benefits in the long run without damaging the natural assets it depends on. The tourism industry bears a heightened responsibility in regards of their pollution and waste management because they selected many destinations for business operations due to their environmental attractiveness and sensitivity (Middleton & Hawkins, 1998).

Global environmental issues must be considered in the environmental management of tourism as its contribution can have a reverse effect with tremendous consequences for the industry itself. Global warming can cause an increased occurrence of algae which can have negative effects on coastal tourism. Changed patterns of precipitation could lead to more rain in tropical regions and on the other side to less snow in alpine areas which influences skiing resorts. The increased occurrence of extreme weather phenomena like storms, typhoons and hurricanes can affect aviation and shipping and destroy tourism infrastructure. Moreover, the rising sea-level endangers low-lying states and especially islands. Acid rain can damage trees and plants in contaminating the soil and reducing levels of photosynthesis and in this way decrease the attractiveness and biodiversity of the flora. But it can also harm buildings and monuments by causing decay. The deforestation, desertification and degradation of land resources lead to increased occurrence of landslides, the pollution of watercourses and the reduction of suitable urban settlements for tourism development. The pollution and depletion of water resources resulting in shortages of drinking water, increase the mortality from waterborne diseases and reduce sea life. All these factors can reduce the number of suitable tourism destinations and therefore affect the development and structure of the tourism industry. (Middleton & Hawkins, 1998)

There are several examples of how tourism contributes to these global issues. With aviation and other forms of transport, it actively increases the output of greenhouse gas emissions. The construction of accommodation and leisure facilities often come to the cost of clear-cutting and destruction of mangroves, erosion of coral reefs and destruction of natural landscapes. This, in turn, can cause more erosion leading to damages by floods and storms and consequences for wildlife migration and breeding patterns. The change of flora and fauna by namely skiing paths and infrastructure, the excessive use of water and the pollution of sea and freshwater through discharge of untreated sewage are other contributing factors. Results can

be water and energy shortages, degradation of water supplies and ecosystem degradation. (Middleton & Hawkins, 1998; Mullis, 2017)

The environment is in most cases a fundamental part of the holiday experience (Sharpley, 2006, p. 121). However, the economic and operational model of mass tourism, resulting in over-capacity and saturation has negative implications for tourists, residents and businesses. (Mullis, 2017)

Identifying the exact range of negative implications can be extremely difficult. Often it is not completely clear if the cause of degradation is tourism or other human activities and rarely it is visible right away. Additionally, tourism can indirectly cause effects in other regions. (Sharpley, 2006, p. 121)

Although mainly causing negative effects, tourism can contribute positively to some environmental aspects. Many conservation actions have been induced by the expectations of visitors such as nature and national parks or protected areas (Swarbrooke, 1999, pp. 49-59; Holden, 2009, p. 22). Finally, the landscapes and flora and fauna of destinations can cause a deeper appreciation of nature by tourists and locals alike.

3.1.4 The cultural impact

How tourism influences the culture of the destinations society depends on the one hand on the development of the industry itself and on the other hand on the tourist-host relationship. The culture of a society is majorly shaped by the political, economic, technological, social, cultural and natural circumstances of their wider environment. Accordingly, the extent of the impact on the culture depends on the cultural and economic difference of tourist and host community. (Rátz, 2000)

Tourism in the social-cultural context is often represented as providing contact between cultures, behaviours, values and traditions. Doxley (quoted by Fennel, 2007, pp. 47-48) identified the development of the attitude of the local residents with four stages: euphoria; tourists are appreciated and welcomed by the locals, without planning or limitation; apathy; tourists are accepted as normal occurrence, which makes the relationship more formal and commercial; discomfort: the tourism development reaches saturation and the local resident´s perception of tourism changes; antagonism: local people express their irritation about the tourists.

Another issue that can occur is that benefits or disadvantages induced by tourism are distributed disproportionally among different groups or individuals. This usually leads to tension within the community and can even result in conflict. In this way, tourism can intensify existing inequalities and differences. (Rátz, 2000)

The travel and tourism sector has the potential to contribute positively to the physical, cultural and social environment of destinations (Middelton & Hawkins, 2002). However, problems caused by tourism are seemingly growing fast and become difficult to address. Therefore, it is a social, environmental and business challenge (Mullis, 2017) to achieve benefits that outweigh the costs.

3.1.5   The role of tour operators

The massive scale and growth potential of tourism have formed powerful multinational businesses (Middelton & Hawkins, 2002). Tour operators and their holiday packages can be one of the main causes of mass tourism in many destinations (Sezgin & Yolal, 2012). Tour operators are corporations that integrate several travel services, usually transport, accommodation, catering and entertainment in one product, called package tour or holiday package. The single components and services consist of products that the tour operator acquires from different tourism producers, which are then combined to one integrated product. This product is then either offered directly to the customer or sold through travel agencies for a global price. The components of the holiday package may be predetermined, or the services are combined individually, customized to the consumer´s wishes. Tour operators normally sell their products in their own name and on their own account. Hence the customer has no direct contact with the providers prior to the holiday, which makes it difficult for the consumer to retrace how the expenses are distributed among the single services and producers. (Commission of the European Communities, et al., 2001)

One of the main issues with the operations of tour operators is the so-called leakage effect. With leakage, the part of foreign exchange earnings is described that does not reach the tourist receiving destination. The cause of this are occurring costs from imported goods and services and profits made by foreign enterprises. (World Tourism Organization, 1995) This can even lead to that as little as 5-10% of the tourist´s expenditures remain in the visited destination (Mullis, 2017) and consequently lead to controversy and resentment among locals.

Local residents can have a strong influence on commercial tour operators, as they are a part of the surrounding of the product. Therefore, tour operators are vulnerable to the change of attitude of the residents in regards of the impact businesses cause in their community. Combined with the rising expectations of the global society about CSR these large corporations are under rising pressure to operate more sustainably, which many are reacting to (Middelton & Hawkins, 2002).

Therefore, tour operators face the challenge of balancing to stay competitive in a growing market with the sustainable development of their

business in contributing to the wealth distribution in the destinations (Popescu, 2018).

3.1.6 Drivers and motivation

The pressure of the local community can be one driver of sustainability in tourism businesses. Though motivation to introduce socially responsible practices can usually just be created if the corporations are convinced that they profit from it in terms of a reduction of operational cost or a rise in competitiveness. Other desires may be the enhancement of the company´s reputation, positive publicity and enabling promotional opportunities. Apart from that, ethical motives, like personal values and the general awareness and knowledge level have a major impact on the considerations of CSR introduction in tourism businesses. (Lund-Durlacher, 2015, p.67)

The strong competition in tourism causes businesses to offer their products at the lowest cost. Many argue that businesses would market more sustainable products if the customer demand and the willingness to invest more was higher. (Middleton & Hawkins, 1998)

A survey conducted by booking.com the world´s largest hospitality booking company (Solomon, 2016), examined the attitude and booking choices in terms of sustainability in accommodation, collecting data from 11 markets with over 1000 respondents each. More than 65% of global travellers in 2017 expressed their intention to book eco-friendly accommodation (2016: 34%). On average 68% replied that they would more likely consider booking an accommodation that is eco-friendly. For nearly 80% sustainable considerations are taken into account in transport decisions, including 43% using public transport whenever possible, 42% trying to walk, bike or hike and 18% trying to avoid using airplanes. Another important finding was that only 5% of global travellers reckon that it is easy to travel sustainably, while 46% consider themselves as a sustainable traveller. (Booking.com, 2017)

Another survey conducted in the same year by TUI Group demonstrated similar results. Examining 3000 responses in the European markets Germany, UK, France, Sweden, Belgium and Netherlands, consumers were questioned about their general travel behaviour regarding sustainability in the previous two years. On average 11% expressed that they booked eco-friendly hotels. 55% of all respondents stated that in sustainability matters the choices and information are too limited. Furthermore, the majority (66%) have the opinion that social responsibility mainly lies with the travel companies rather than themselves. (TUI Group, 2017b)

Both results show that there is a rising interest among consumers and sustainability has already found its way into the minds of travellers all over the world. This change in demand may be the main driver of CSR in tourism

businesses. Additionally, sustainability evidently is an important factor in pertaining the destination competitiveness (Ritchie & Crouch, 2003, p. 8; Fiocca & Sebastiani, 2009; as cited by Del Chiappa et al., 2018). For ethical reasons and for their business operations, tour operators have an interest in contributing to the destination´s competitiveness. Because competitive destinations exclusively have the ability to satisfy customer needs and expectations and at the same time ensure the preservation of natural and cultural resources to assure the long-term well-being of locals. (Del Chiappa et al., 2018)

3.1.7 Tools of CSR management in tourism

For the introduction of CSR in business, audit schemes and standards, such as ISO and EMAS, are commonly used in the tourism industry (Lund-Durlacher, 2015, p. 67). Another option for tourism businesses is introducing CSR measures by qualifying for certification schemes and quality labels for environmentally and socially responsible tourism (Honey, 2002; Bendell & Font, 2004). By adopting the predetermined schemes companies can implement social responsibility criteria as well as formalized processes into their operational actions. Certification schemes are differentiated upon two basic types. Firstly, dynamic and process-oriented schemes targeted to constantly enhance the CSR performance without quantifying the desired outcome. Secondly, static and result-oriented schemes that measure with the utilization of indicators, specific outcomes and their value. Nowadays, most schemes and certifications consist of a mixture of both types. (Lund-Durlacher, 2015, p. 65)

Many labels and schemes mainly focus on environmental indicators. Aspects of the social impact are rarely included, but due to the general rising awareness towards socio-economic and cultural factors, this is changing (Font & Epler Wood, 2007). The worldwide accreditation of such labels, schemes and certifications is done by the Sustainable Tourism Stewardship Council (STSC). With their Global Sustainable Tourism criteria, they manifest the minimum requirements for tourism businesses to operate in a sustainable manner. (Lund-Durlacher, 2015, p. 66) Globally recognized certification schemes for sustainable tourism businesses are for example Green Globe, Rainforest Alliance and Travelife. (CBI Ministry of Foreign Affairs, 2017)

Another global accreditation body for certification programs is the Global Sustainable Tourism Council (GSTC). GSTC accreditation means that a standard is in line and with the GSTC standards under the pillars of sustainable management, socioeconomic impact, cultural impact and environmental impact and that the process of certification is verified. (Global Sustainable Tourism Council, n.d.a; Global Sustainable Tourism Council, n.d.b.)

Evidently, the main benefits for businesses are cost reduction (due to lower water and electricity usage), the knowledge transfer to management and staff, an effective management system and increased employee motivation (Lund-Durlacher, 2015, p. 66). Additionally, it can contribute to a better reputation of tourism businesses although the extent of this effect is highly debated (Kang et al., 2010).

For tour operators, the implementation of CSR in their business is extremely challenging. Because of their travel packages, they do not only have to determine and evaluate the CSR instruments in their own company but additionally in their whole value chain. Special certification schemes have been established to effectively measure, assess and enhance CSR operations in tour operator and tourism business. Examples for this are TourCert and Travelife. Highly relevant CSR factors in these businesses are key indicators such as financial figures, consumption of resources, employee number, satisfaction and training opportunities. (Lund-Durlacher, 2015, p. 68-69)

Which certification scheme the most appropriate is, depends on the type of business, the acknowledgement of the label in the target market as well as the accessibility of the programme in the specific destination and the financial resources (CBI Ministry of Foreign Affairs, 2017).

3.2 Particularities of tourism in destinations in LMICs

Many low- and medium-income countries can provide unique and valuable assets to the tourism sector, which have not been unnoticed by the market. The tourism demand is shifting towards low- and medium- income countries, where tourism arrivals grow significantly faster, than in advanced economies (Figure 7). This development is expected to strengthen in the period up to 2030, expected to reach 58% by the end of it. (World Tourism Organization, 2013; World Tourism Organization, 2016)
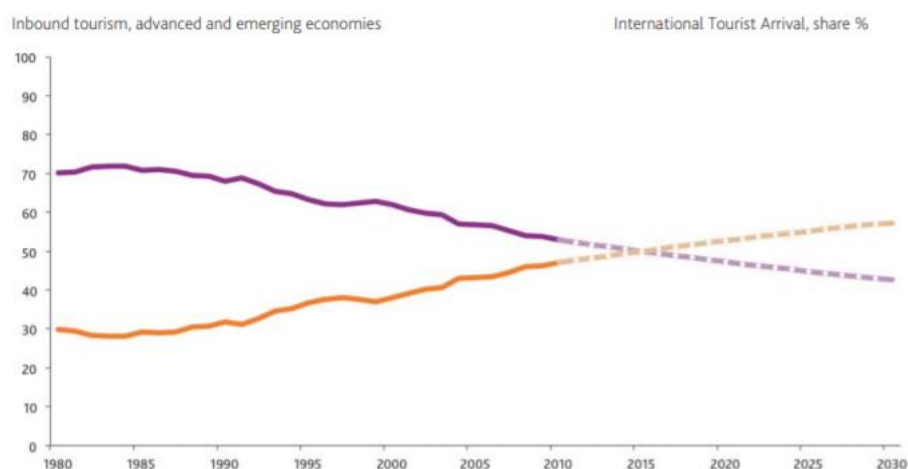

Figure 7. International tourist arrivals in advanced and emerging economies (World Tourism Organization, 2013)

Tourism is rated as the third largest export category worldwide and in many LMCIs ranks first (World Tourism Organization, 2018). Due to tourism´s significance in economic development, it is often named to appear as a development strategy for LMICs (Aslam et al., 2012). Especially in countries with limited other development opportunities, tourism seems to be the most effective industry to create jobs and income. In fact, many small states have no development alternatives for economic, regional and often resource-related reasons (Zahner, 1983). Usually, the range of possible occupation in these countries are limited to primary sector jobs like farming and fishing which generate poor salaries and thus tourism activity can significantly raise the household income. Additionally, the multiplier effect can lead to incentives for related industries. (Bâc, 2012)

Adequate planning, management and monitoring of economic activity are often missing in LMICs (Bâc, 2012). This specifically becomes an issue of advanced tourism development at a destination. Though fostering economic growth, tourism can create an economic dependence on foreign investors such as tour operators, limiting the regions or country´s economic self-government. (Britton, 1982)

The extent of this leakage effect, as introduced in 3.1.5, depends on how well the tourism industry is interlinked with the local economy. The less it is interlinked, the more needs to be imported and the benefits for the local population decrease. In the discussion about the leakage effect in low- and middle- income countries, one important factor needs to be considered; globalization. One of the results of globalization is that many multinational corporations import their products and services to countries, regardless of the availability in the local economy (UNCTAD, 2010, p. 9). With the competitive advantage of economies of scale, these companies cause leakage effects which are based on globalized structures of business chains.

For the introduction of tourism in a country or region, several prerequisites must be met, such as the provision of basic infrastructure, lodging, catering, and transport. In rural areas, this can become an issue if the new destination is not capable to supply these basic structures (Bâc, 2012; UNCTAD, 2010). For this reason, it may be inevitable to give up a part of tourism expenditures to foreign investors like airlines, tour operators, travel agencies and hotel chains (UNCTAD, 2010, p. 9) to provide the basics for the value chain of tourism (Mitchell & Faal, 2008).

For foreign investors establishing their businesses in LMICs can be a risky venture. In many of these countries, political instability and crime affect business significantly. Blockades, corruption and bribery can limit and disrupt business activity (Chrysostome & Molz, 2014, p. 2) while riots, terrorist attacks, and political violence can perpetuate a state of insecurity

that can create panic among tourists. Evidently, most tourists cancel trips during periods of conflict which economically affects foreign investors and locals respectively. (Sztruten, et al., 2017) Other significant factors are the low levels of health and hygiene, tourism infrastructure, air transport infrastructure, policy and regulations as well as human resources, especially in low-income countries (World Tourism Organization, 2016).

While foreign investment is the main driver for tourism (UNCTAD, 2010), it, on the other hand, hinders the profitability of tourism for locals (World Tourism Organization, 2002). If goods and services from supply industries of tourism are additionally imported, the linkages to the local economy remain minimal and the effect is even reinforced. The higher the share of local ownership and management of tourism establishments at a destination, the more the local economy and consequently the people profit from the direct effects of tourism (UNCTAD, 2007, p. 8). However, given the above, "some degree of leakage is intrinsically associated with international trade transactions and may be a necessary cost of conducting tourism" as stated by The United Nations Conference on Trade and Development (UNCTAD, 2010, p.10).

Many LMICs have a distinguished cultural identity, which is a factor in attracting tourists. For example, by using of traditional art and rituals as entertainment of guests (Middleton & Hawkins, 1998). What can revitalize a community´s cultural life (Mason 2003, p. 43), might conversely get exploited with the demonstration of false rural rituals (Hester, 1990). In addition, many indigenous people were displaced or forced to move away from their actual living space when national parks or heritage sites were established (Mullis, 2017).

Tourism, accelerated by globalization effects, caused in many low middle-income countries the adoption of western cultural and behavioural norms. Some authors describe this process as "neo-colonialism". (Middleton & Hawkins, 1998) By this, the socio-cultural identity of a community with its indigenous values, traditions and lifestyle can get demolished (McLeod, 2004, p. 15; Reisinger 2009, p. 21) and the meaning of local culture dissolves (McLeod, 2004, p. 16). However, the media and modern communication and information technology are usually the main cause of the loss of cultural identity and tourism can be perceived as reinforcing factor (Liu, 2003, p. 468). In many urban areas the authenticity of the places vanish more and more through the cultural adaption and westernization. This can be an opportunity for rural communities with economic problems by offering diversity and authentic culture by emphasizing their natural properties like beautiful scenery, tranquility and lack of congestion. (Bâc, 2012)

3.2.1 Core elements of sustainable tourism in LMICs

Consequently, tourism needs to be introduced and managed carefully in destination in developing countries to ensure a long-term success and benefits for all stakeholders. For this purpose the term of sustainable tourism has been established, which describes

> "Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities" (World Tourism Organization, n.d.c.).

Sustainable tourism should use environmental sources most efficiently, maintain essential ecological processes, and contribute to the conservation of natural heritage and biodiversity. Further, it should respect the socio-cultural authenticity of the local population, contribute to the conservation of the cultural heritage and tradition as well as building inter-cultural understanding and tolerance. Finally, in economic terms, it should ensure viable, long-term economic operations by providing stable employment and income-earning opportunities with reasonable distributed socio-economic advantages for all stakeholders. By doing so, sustainable tourism is supposed to contribute to poverty eradication. (World Tourism Organization, n.d.c.)

Requirements for sustainable tourism development are well-informed stakeholders and a strong governmental leadership to guarantee consensus building. Sustainable tourism is a continuous process which requires an approach of consistent monitoring of impacts to enable reaction measures, either preventive or corrective. Another important aspect is the satisfaction of the tourists that needs to be maintained at a high level. With providing a positive experience, sustainable tourism practices can become popularized and tourists become more aware of sustainability problems. (World Tourism Organization, n.d.c.)

The UNWTO has summarized the most essential aspects of sustainable tourism for development within five pillars (Figure 8).
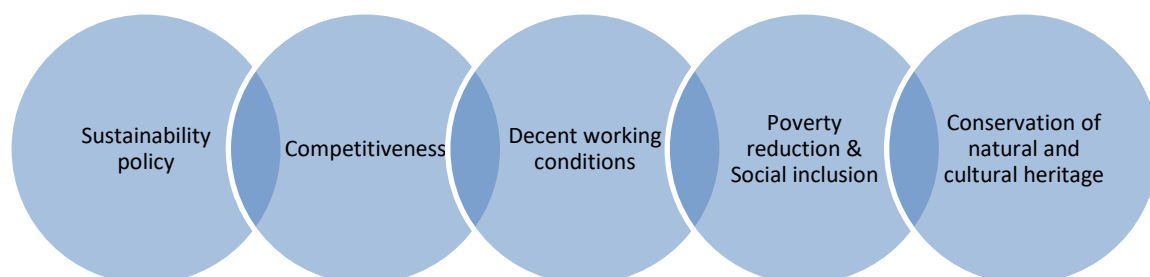
Figure 8. The pillars of sustainable tourism (Adapted from World Tourism Organization, 2016)

The first pillar regards to tourism policy and governance. To ensure a sustainable development, governments need to agree on tourism policies, strategies or master plans that can be efficiently implemented and regulated on a national level and adapted to local and regional circumstances. This process must be executed, in a way, that encourages tourism businesses and other stakeholders to collaborate with the government in planning, developing and managing tourism. (World Tourism Organization, 2016)

The second pillar covers the competitiveness, reached by economic performance and investment, to ensure that tourism products are meeting the market demand to successfully contribute to economic development. For this, actions must be undertaken to enable an economic environment for the development of local businesses and improving linkages between tourism and other industries. (World Tourism Organization, 2016)

With decent working conditions as third pillar, the focus lies on planning of human resources to, firstly, ensure the potential of tourism in job and income creation and, secondly, to meet the demand for skilled workers for the future growth. Regulations and labour laws can provide the basis of introducing an agenda of decent work. Aspects which should be addressed are income and working conditions, personal development, freedom of expression and equal opportunity. (World Tourism Organization, 2016)

The fourth pillar deals with poverty reduction and social inclusion addressing issues of poor and disadvantaged people. Actions by the government and the private sector can support mechanisms that distribute the proportions of tourism income more equally, reaching poor communities. Additionally, potential negative social impacts must be reduced or prevented by including and consulting local communities in decisions on tourism development. (World Tourism Organization, 2016)

Pillar five covers the conservation of natural and cultural heritage by policies and actions to effectively manage protected areas. Aspects like reducing air pollution, sustainable production and consumption and the protection of biodiversity can be enforced by planning controls, impact assessment, certification and financial incentives. (World Tourism Organization, 2016)

3.2.2 Affected Sustainable Development Goals

Tourism can affect all SDGs. It is a vital instrument for the achievement of the 17 SDGs and beyond, as it can stimulate inclusive economic growth, create employment and income opportunities, attract investment, counter poverty, enhance the occupation of local communities, promote

the empowerment of women and youth, protect cultural heritage, preserve terrestrial and marine ecosystems and biodiversity, support the mitigation of climate change, and thereby provide contributions for the indispensable transition of societies towards greater sustainability (World Tourism Organization & United Nations Development Programme, 2017).

In the Voluntary National reports on the SDGS by 41 UN member states tourism has been mentioned in the context of opportunities, challenges and threats of sustainable development, resulting in the evaluation in Figure 9 (World Tourism Organization & United Nations Development Programme, 2017).
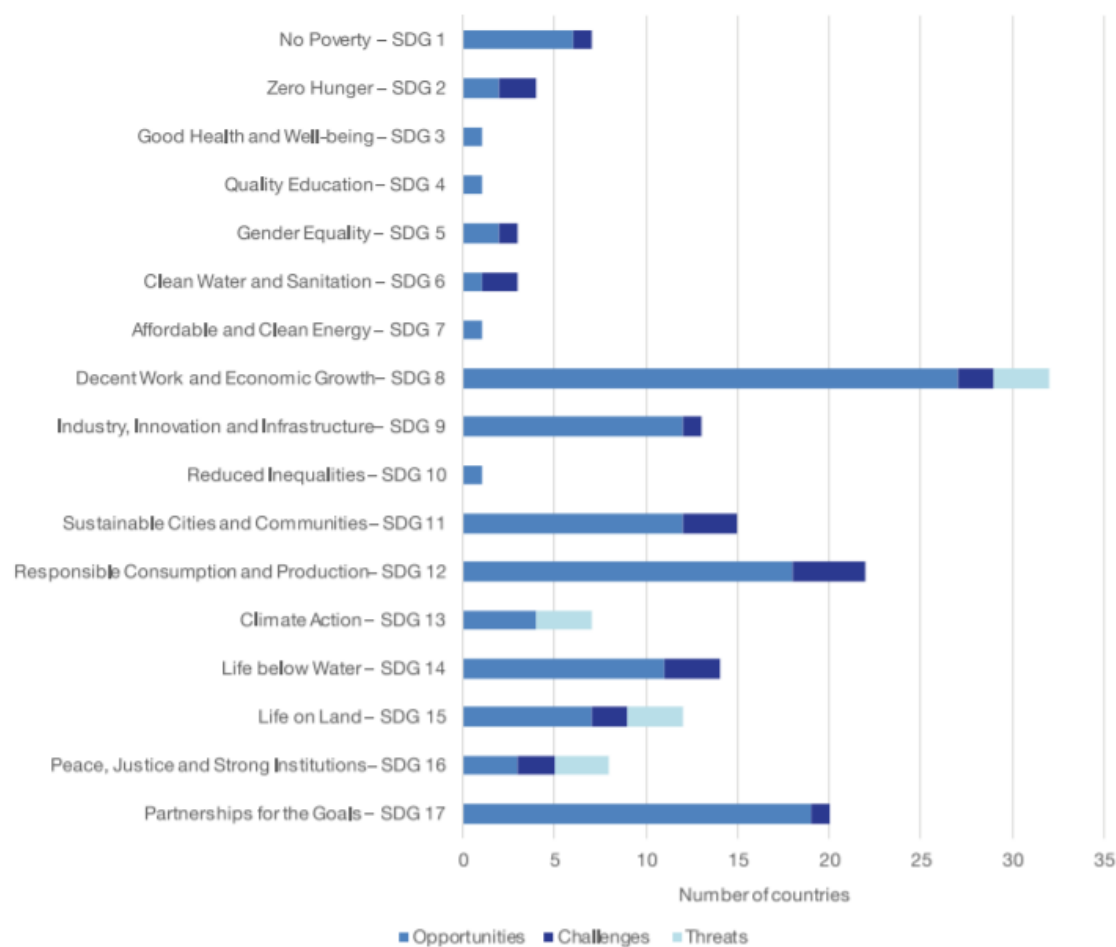
Figure 9. Tourism opportunities, challenges and threats in relation to the SDGs (World Tourism Organization & United Nations Development Programme, 2017)

This suggests that challenges, including irresponsible consumption and production, as well as poor management of resources and waste, has the most significant effect on the achievement of the SDGs 12 (Responsible Consumption and Production), 14 (Life below Water) and 11 (Sustainable Cities and Communities), respectively. The evaluation of the reports also demonstrated that the potential of tourism contributing successfully to

the SDGs can be threatened by external threats, like climate change, the loss of biodiversity, natural disasters, security issues and global economic instability. These threats can have a major effect on the development of the SDGs 16 (Peace, Justice and Strong Institutions), 13 (Climate Action), 15 (Life on Land), 11 (Sustainable Cities and Communities) and 8 (Decent Work and Economic Growth), respectively. (World Tourism Organization & United Nations Development Programme, 2017)

Although having the potential contributing to all SDGs, sustainable tourism is specifically mentioned in the targets of three SDGs; Goal 8 (Decent work and Economic Growth): "By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products". Under Goal 12 (Responsible Consumption and Production) the target: "Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products" has been formulated. Goal 14 (Life below Water) has the target: "By 2030, increase the economic benefits to small Island Developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism." (International Labour Organization, n.d.)

To fulfill the potential tourism has, in achieving the 17 SDGs, a prerequisite is that sustainable development becomes a shared responsibility and gets included in the core of policies and business operations within the tourism sector. For this, governments need to adopt public policy which is based on coherent dialog among all stakeholders. An effective collaboration between public institutions, the private sector and other stakeholders is necessary to create such policy. Accordingly, challenges and threats of tourism must be addressed by policymakers, by encouraging and supporting the private sector, with for example financial incentives, to generate green growth. (World Tourism Organization, United Nations Development Programme, 2017)

3.2.3 CSR and sustainable tourism development in LMICs

Often the gap between sustainable tourism concepts, including the SDGs, and the real-world application is criticized, because the theory does not get executed in practice by destination planners, managers and industry operators, who make the day to day decisions (Aslam, et al., 2012).

Despite this, an analysis (Figure 10) of 60 large tourism companies conducted by the UNWTO demonstrated that the industry does engage in activities for sustainable tourism in their operations and aimed at host-community support. Additionally, the results showed that the main driver of sustainability is competitiveness and profitability, which can produce co-benefits for people and the environment alike. (World Tourism Organization, United Nations Development Programme, 2017)
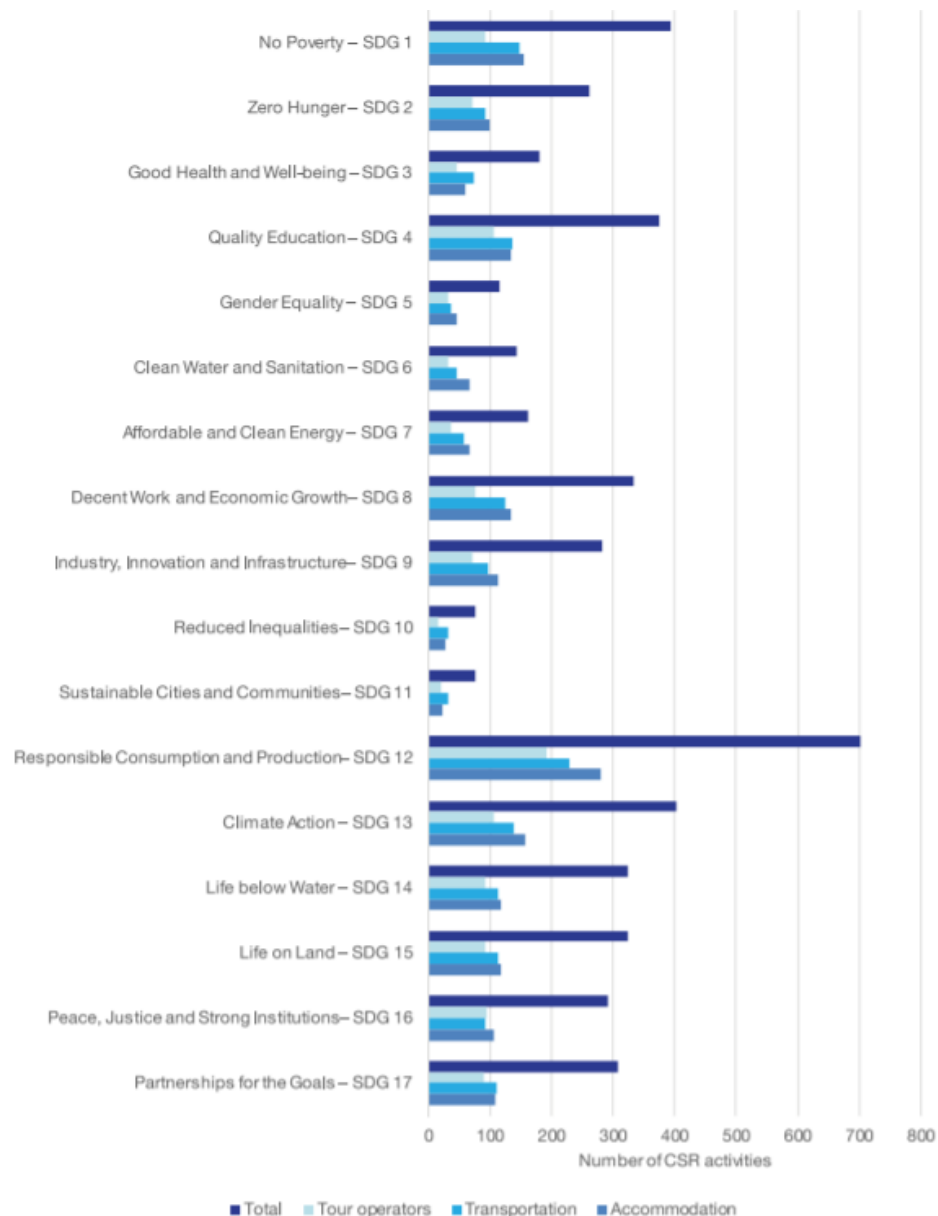
Figure 10.　　　　　　Corporate Social Responsibility (CSR) activities per SDG, in total and by tourism industry (World Tourism Organization, United Nations Development Programme, 2017)

Given the above one can see that the private sector has the ability to contribute to all SDGs. Every tourism destination requires a well-functioning society, an environment in good condition and a stable economy. All three factors can be majorly influenced by tourism businesses, which with creating positive social impact, can lead tourism towards a more sustainable direction. Some tourism enterprises have already acknowledged that sustainability is a crucial business factor and aligning their business goals with the SDGs can lead to better efficiencies, save costs, and improve the competitiveness while enhancing their social license to operate. By adopting more inclusive sustainability in core

operations, the industry can enhance risk management, promote product differentiation and reduce leakage. Especially the latter point must be put into focus by re-investing into the local value chain and in this way retain the profits more locally. (World Tourism Organization & United Nations Development Programme, 2017)

Leakages are one of the key problems of tourism in developing countries and linkages to the local economy are the solution to encounter this. The tourism industry is closely linked with the food sector, accounting to one-third of total tourist spending (Bélisle, 1983, p. 498). Therefore, one way of decreasing the leakage effect could be to maximize the linkage to the local food sectors and minimize imports (Telfer & Wall, 2000).

Due to the significance the environment has for tourism businesses, one of the focusses of operations should be the implementation of programmes which reduce the energy usage, control noise pollution and emissions, reduce the demands of fresh water and recycling or re-using materials (Middelton & Hawkins, 2002).

The performance in CSR and sustainability matters can just be improved if progress gets measured and benchmarked with comparable companies. The lacking awareness, especially from small- and medium-sized businesses, as well as a lack of frameworks to capture, aggregate and report the social impact, are the main reasons why efficient CSR measures are not used in the private sector. (World Tourism Organization, United Nations Development Programme, 2017)

Tourism businesses have a key role in contributing to development targets, including the fight against poverty. In many LMICs tourism development has already reached a certain level, and policy and activity to manage the sector have been introduced. However, the level of development, the execution of government policy and the support from development assistance agencies vary significantly between countries. (World Tourism Organization, 2013) Thus the role of the private sector becomes more important in countries which have lower levels of these factors.

It can be concluded that a holistic approach is needed to reach a sustainable development in tourism. A requirement for businesses is to understand and become aware of affected stakeholders in their business environment. Nature and tourism are inescapably linked, for this reason, the sector must take measures for preservation and conservation, avoiding pollution and exploitation of resources. The local communities must be given the chance to participate in tourism projects to protect their culture and preventing social costs while ensuring economic benefits. (Aslam, et al., 2012)

3.2.4   Opportunities and Risks through Tourism – example: Sri Lanka

To demonstrate possible developments of tourism in LMICs Sri Lanka has been chosen. Both companies Intrepid and TUI operate actively in the country, with TUI having a portfolio of 4 different round trips and more than 280 hotels (TUI Group, n.d.g). One of them is the Heritance Kandalama, which will be introduced later (TUI Group, n.d.f). Intrepid has 18 different itinerary trips in Sri Lanka (Peregrine, n.d.; Urban Adventures, n.d.; Intrepid Travel, n.d.b)

Sri Lanka is a tropical island in the Indian Ocean with high diversity in ecological, socio-cultural and environmental terms. Tourism is on the rise since the mid-1960s and Sri Lanka became known for its beaches, heritage, wildlife, scenic beauty and tourist products, namely mind and body wellness, festivals, sports and adventure (Ranasinghe, 2014). Sri Lanka has six UNESCO cultural world heritage sites and offers many cultural treasures and sights (Athula Gnanapala & Sandaruwan, 2016). The Sri Lankan government took much effort to establish tourism as an economic development strategy, which has evolved to the state that the tourism sector represents one of the major sources of foreign exchange earnings (Athula Gnanapala & Sandaruwan, 2016; Ranasinghe, 2014). Tourism is the fastest growing service industry in Sri Lanka, though the outcomes and profits are far behind the intended target. The main reason for this is the lack of balance in tourism policy and its implementation. Due to its connection with many other industries, parallel developments in aspects like infrastructure, agriculture and political stability are needed, which are not completely fulfilled. (Ranasinghe, 2014) Tourism brought more income-earning opportunities in the local communities, especially for the youth. These opportunities derived from directly connected jobs, in for example accommodation or guiding businesses, indirect businesses in agriculture and the transport sector and induced businesses such as local shops for employees (Ranasinghe, 2014; Liyanage, et al., 2018; Athula Gnanapala & Sandaruwan, 2016). In this way, tourism had an impact on the price level and consumption pattern of the local residents (Ranasinghe, 2014).

According to data from the WTTC, the direct contribution of tourism to the Sri Lankan GDP in 2017 accounted for 5,3 %, while the total contribution (considering indirect effects) reached 11,6 %. Visitor exports created 25,3% of total export, while the tourism sector directly represented 404,000 jobs (5.1% of total employment) and including indirectly supported jobs, accounted for 11.0% of total employment (875,000 jobs). (WTTC, 2018) Especially rural areas profited from tourism in terms of infrastructure development like road networks, water and power supply, safety and security (Athula Gnanapala & Sandaruwan, 2016). Though the last aspect was contradicted in the study from Liyanage, et al. (2018), where a considerable number of participants (44%) have stated that tourism results in a rise in crime rates. Evidently, crime incidents increase

significantly during high peak seasons. (Liyanage, et al., 2018) Many local residents (44%) state that tourism harms the moral standards of the society due to inappropriate behaviour of tourists, namely the use of alcohol and other narcotics in public places (Liyanage, et al., 2018). Other negative influences on society are an increase in black money frauds, gambling, theft, drugs and trafficking. An increase in prostitution, HIV threat, and specifically child prostitution is a major problem which was encouraged by tourism in Sri Lanka. (Ranasinghe, 2014) Other factors developed through that influence the daily life of residents, are the limited access to natural sights like beaches due to tourism facilities (Ranasinghe, 2014), disturbances in religious activities at heritage sights through overcrowding and unethical behaviour (Athula Gnanapala & Sandaruwan, 2016) and area clashes of different ethnic groups with the daily routine of locals, disturbing the resident´s privacy (Liyanage, et al., 2018). In regards to the environment, the increased consumption of natural resources through tourists has led to issues specifically in solid waste and wastewater disposal, affecting flora and fauna negatively. One example of effects on the fauna is wildlife tourism in form of elephant observation. Noise produced by tourist behaviour and vehicles can influence the behaviour tremendously. Especially when the tours come to close to the animals, they reacted with alert, fear, and aggressive behaviour, causing stress and interrupting the feeding time. (Ranaweerage, et al., 2015)

Though the country is facing many problems due to tourism, there are examples of sustainable tourism. One is the Heritance Kandalama, a star class hotel operating since 1994 beside the Kandalama Lake and the first environmental hotel project in Sri Lanka. In the period of construction, many locals disapproved the building, worrying about negative influence on the natural and socio-cultural environment. A few years later these claims silenced, with the hotel becoming an award-winning environmentally friendly facility delivering various benefits to the local residents through their CSR endeavours. Negative impacts of tourism could not be completely avoided but comparatively be kept at a minimum level. (Nayomi & Athula Gnanapala, 2015)

The Kandalama was built using the most sustainable architecture possible to minimize the harm to the natural environment. Local stakeholders, like Buddhist monks and villagers, were actively engaged in the planning and execution of the project to ensure a positive relationship recognizing all affected parties. Results of these discussions were the support of religious institutions, schools, community development work and numerous other social activities by the hotel company. From 1992 to 2014, the investments into CSR measures totalled to 46 million Sri Lankan Rupee (around 230,000 €). In addition, the hotel has HR policies that support the local community, namely targeting 70% of hotel employees to be recruited from a 25 km radian of the hotel and several employee personality and skill development programs and training. Other policies include purchasing of fruits and vegetables from local farmers. Tourism enabled the locals to

open small businesses selling their products to tourists as well as infrastructure developments and the increase of property prices, adding value to local´s real estate. Overall the economic value of the region and the environmental conservation has improved. (Nayomi & Athula Gnanapala, 2015) In terms of environmental protection, the hotel tries to minimize its effects by solid waste management programs, sewage treatment, a water treatment plan and paper recycling. Furthermore, the establishment of an Eco-Park giving free access to the general public helps to educate people about environmentally friendly methods. It was awarded the PATA Green Leaf Gold Award for its engagement to environmental schooling and sustainable development. The hotel is certified with Green Globe 21 standard and ISO 14001 and is globally acknowledged as a role model for eco-friendly operation and maintenance. (Nayomi & Athula Gnanapala, 2015) However, negative impacts were found in long working hours for staff, stress and low salary. Some residents disapprove with the night club of the hotel arguing it animates to alcohol addiction of locals and in general unmatches the local culture. (Nayomi & Athula Gnanapala, 2015)

It can be concluded that tourism is a valuable sector for Sri Lanka. As lower middle-income country it faces a lot of economic illness and the country has introduced tourism as a key development strategy. Tourism is expected to grow in the next decade in Sri Lanka (WTTC, 2018) and while it is possible to determine the earnings, it is impossible to calculate the social costs numerically. There are evidently high losses in socio-cultural terms (Ranasinghe, 2014). The example of Kandalama shows how stakeholder involvement can turn out successful for all parties. Ultimately the local community has developed a predominantly positive attitude towards the tourism development in their area. Thanks to their active and passive participation and involvement they accepted tourism as a major income source. (Nayomi & Athula Gnanapala, 2015) However, in TUI´s presentation of the hotel on their website, nothing about the special approach for more sustainable tourism is mentioned (TUI Group, n.d.j). A potential customer is not being informed about the special features the hotel has or, for example, the sustainability awards they received. Self-imposed policies for HR, consumption and pollution can guarantee the consistency of CSR endeavours. In terms of wildlife, for the protection of endangered species like the Asian elephant controls must be introduced to protect the animals from stress caused by vehicles and tourist´s behaviour (Ranaweerage, et al., 2015). Tourism brings simultaneously good and bad to the country and therefore a more sustainable tourism development is needed.

3.3 Sustainable tourism in low- and middle- income countries

The following table presents a summary of the previously mentioned issues that concern sustainable tourism in low- and middle- income countries. Additionally, indicators have been enclosed to demonstrate

how the certain issue can be quantified with some of the indicators mentioned in Appendix 1. Furthermore, potential solutions that tourism businesses can apply to mitigate or solve the issues are introduced in the third column.

Table 1. Issues, indicators and potential solutions for sustainable tourism in LMICs

Issue	Indicator	Potential Solution
Leakage effect	- Number of different products/ services sourced locally	- Creation of linkages
Water pollution	- Quality of water measuring concentration of numerous pollutants	- Creation of awareness - Clean-up projects
Air pollution	- Quality of air measuring concentration of numerous pollutants - Co2 emissions of tourism facilities	- Offering alternative and more sustainable means of transport - Using newest technology to reduce greenhouse gas emissions - Carbon-offset projects
Sewage water disposal	- Amount of water recycled in % of total water that could be recycled - % of wastewater receiving treatment	- Modern sewage systems
Waste creation, overconsumption & disposal	- Waste generated per tourist	- Creation of awareness - modern recycling facilities - Environmental sound systems
Excessive use of electricity	- Renewable resources (wind, solar, etc.) used in tourist accommodation	- Usage of renewable energy sources - Creation of awareness
Bad working conditions	- Number of educational/informational programs for locals - Number of local meetings to discuss issues before policies are implemented	- Self-imposed policy in terms of incomes & working conditions, personal development, freedom of expression and equal opportunity - Employee Code of Conduct
Social exclusion and unequal wealth distribution in communities	- Gender ratio in tourism sector per region	- Self-imposed policy in terms of hiring and wage of specific disadvantaged groups - High prioritization of the local community in stakeholder management
Damage of natural heritage	- Number of natural interest sites under protection compared to those without protection	- Control of visitor numbers - Creation of awareness

Loss of biodiversity	- Number of endangered/ threatened species in the destination´s region	- Creation of awareness - Introduction of protected zones - Respecting flora and fauna in planning of building new tourism facilities
Loss of socio-cultural identity	- not quantifiable	- Promotion of cultural properties through marketing of diversity and authentic culture
Excessive use of water	- Water consumption per tourist	- Creation of awareness among tourists - Water saving technology
Congestion and over-capacity	- Area of open space/beach/park etc. per tourist (average and peak) in m² - Ratio of local residents compared to tourists in peak season	- More even tourist distribution by offering alternatives to classic tourist "hot-spots"
Damage of cultural heritage	- Number of cultural interest sites under protection compared to those without protection	- Creation of awareness - Control of visitor numbers
Unsustainable supply chains	- not quantifiable	- Self-imposed policy: Supplier Code of Conduct

Accordingly, one of the main aspects of solutions towards a more sustainable tourism sector is the creation of awareness among tourists. Additionally, the introduction of modern technology and self-imposed policy are important factors of sustainable tourism in low- and middle-income countries.

4 TOURISM IN LMICS: TUI AND INTREPID IN COMPARISON

In chapter four, the tour operator corporations are briefly described along with their failed venture. The aims in this chapter are twofold: First the identification of differences and similarities of the CSR philosophy and strategy, including the correlation with the SDGs and the materiality management, second the description of operational measures, specifically those addressed to low-and middle- income countries and the assessment of external institutions in this matter.

4.1 TUI Group Profile

With their broad range of employment opportunities in their different value chain components, TUI employed in total around 70.000 people in 2018. Furthermore, it turned over 19,5 billion Euro and achieved an

operating result of 1.147 billion Euro. With describing it as their key feature of corporate culture, TUI puts emphasis on their Corporate Social Responsibility and Sustainable Tourism efforts. (TUI Group, n.d.b)

Since the restructuring of the company in 2014, it has developed from a traditional tour operator to a developer, investor and operator of hotel and cruise companies as well as airlines and destination experiences (TUI Group, 2018f). TUI defines it´s business idea as follows: "We offer a consistently high-quality end-to-end customer experience through our fully-integrated tourism business, from inspiring and booking to flight and transfer right through to the holiday itself in a hotel or on board a cruise ship. Our unique holiday concepts, direct distribution channels and strong portfolio of hotels and cruise ships enable us to design the whole holiday experience, giving us a clear competitive advantage in the leisure tourism industry." (TUI Group, n.d.d). In their business idea, TUI clearly points out their vertical integration throughout the tourism value chain (flight, transfer, hotel, cruise ship, etc.).

TUI´s leadership is currently represented by CEO Friedrich Joussen. Joussen, formerly CEO of Vodafone, is known for being a digital expert and successfully led the company in becoming Europe´s most profitable tourism group. He changed the concept of the company in a way of creating a focussed and newly oriented entity. He narrowed down TUI´s portfolio to the most profitable travel components, leading to an increase of profits from 128 million Euro in 2013 to 17 billion Euro in 2016 (Kiani-Kreß & Schmidt, 2017).

4.2 Intrepid Group Profile

With the tour operators Intrepid Travel, Peregrine Adventures, Urban Adventures and Adventure tours and additionally 21 destination management businesses, Intrepid hires globally more than 1800 employees in 40 plus offices (Intrepid Group, n.d.c.) and earned revenues of AUD $341 million in 2017 (Intrepid Group, 2018a). The inception of Intrepid was based on the idea of creating adventure travels benefiting the customers as well as the locals and destinations visited (Intrepid Group, n.d.c.) These premises of business operation have developed constantly, guiding the company in becoming a globally renowned leader of responsible travel by providing small group travels with real-life experiences (Intrepid Group, 2019).

Usually, Intrepid itineraries consist of accommodation, transport and a local group leader with variations in provided catering, activities and comfort level, though flights to the destinations are not included (Intrepid Travel, n.d.a). These products are developed by Intrepids destination management company (DMC) PEAK, with 21 offices across Africa, Asia, Europe and Latin America guaranteeing the input of local expertise to Intrepids global products (Intrepid Group, n.d.g).

Intrepid Groups leadership is currently represented by CEO James Thornton. Coming from an investment management background, Thornton has joined the company in 2005, working his way up to the top of the management and becoming the first non-funding CEO of the Intrepid Group. By appointing Thornton, the company strives for its vision in growing sustainable travel and achieving its dual goals of growing the market of sustainable experience rich tours while managing a corporation with a purpose beyond profits. (Intrepid Group, 2017a)

4.3 Failed Venture of both companies

In 2011 the TUI travel division and Intrepid Travel decided to merge to one venture called Peak Adventure Travel Group, compromising all 20 adventure brands of both companies. TUI motivation was mainly based on growth by creating a global leader in adventure travel and higher expected profits, as adventure holidays produce 3-5% more profit margin than conventional holiday packages. Intrepid was mainly hoping to save annually up to £10m by creating cost synergies and increased economies of scale. Peak was owned 60% by TUI and 40% by Intrepid whilst having Darrell Wade, co-founder of Intrepid as CEO. (Hawkes, 2011; TUI Travel PLC, 2011)

However, the PEAK Adventure Travel Group venture ended after 4 years of partnership, resulting in the repossession of the full ownership of all brands of the Intrepid group by the co-founders Darrell Wade and Geoff Manchester. Wade justified the decision with encountering different priorities and business philosophies over the years, while Lagerweij, a representative of the TUI Group, argued that both companies developed different and distinct styles, with TUI primarily concentrating on higher-end adventure holidays. (Merrick, 2015) Further, the Intrepid founders wanted to go back to the roots of their vision "changing the way how people see the world" by operating in a way that contributed positively to all stakeholders, including employees, the planet and local communities, instead of mainly focussing on short-term quarterly profits. (Intrepid Group, 2017; Intrepid Group, n.d.d; Intrepid Group, 2019a; Intrepid Group, 2018)

4.4 Corporate Social Responsibility: Strategy and Management

4.4.1 Philosophy and Strategy

TUI states its vision as follows:

„Discovering the world's diversity, exploring new horizons, experiencing foreign countries and cultures: travel broadens people's minds. At TUI we create unforgettable moments for customers across the world and make

their dreams come true. We are mindful of the importance of travel and tourism for many countries in the world and people living there. We partner with these countries and help shape their future – in a committed and sustainable manner. Think Travel. Think TUI." (TUI Group, n.d.c)

The core values are summarized with three words, emerging from the brand´s name letters: trusted, unique and inspiring. Following this, it can clearly be seen that TUI names sustainability and responsibility a core aspect of their business operations, though does not include it directly in their values. TUI developed a distinct sustainability strategy, called Better Holiday, Better World (Figure 11)
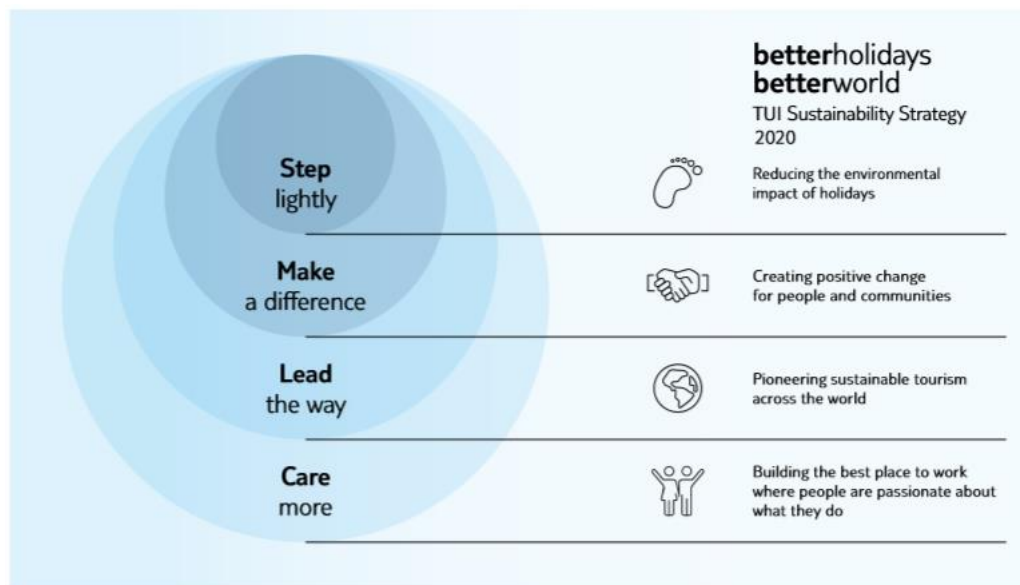

Figure 11.   TUI Sustainability Strategy 2020 (TUI Group, 2018, p. 83)

The aspect of "step lightly" contains the operation of Europe´s most carbon efficient aircraft and the objective of reducing the carbon intensity of all business operations by 10% until 2020. "Make a difference" describes the engagement of offering 10 million greener and fairer holidays with specific reference to bringing more benefits to local populations. "Lead the way" comprises the obligation of contributing 10 million Euro annually through the TUI Care Foundation to accelerate the positive effects of tourism. Lastly, "Care more" relates to the work environment, with the objective of reaching a colleague engagement score of over 80 to align with the top 25 companies in the world. (TUI Group, 2018, p. 83; TUI Group, 2015, p. 6)

Intrepid describes it´s vision as "Change the Way People See the World". This includes the long-term vision of being fully committed to responsible practices that generate shared value for all stakeholders but additionally

the establishment of being a business with a purpose beyond profits. With sustainability being the core of all operations, Intrepid wants to focus on developing local economies with the help of sustainable tourism. Intrepid´s values consist of six components. Growth, passion, responsibility, fun, innovation and integrity. (Intrepid Group, 2018b) These could be summarized in growth and responsibility being the motive of their business, passion and fun the way they operate and innovation and integrity how they try to achieve their targets.

In 2016 Intrepid introduced the 2020 strategic plan planted on their basic principle of growth with purpose. The main objective of this is the creation of a sustainable and profitable corporation while aiming all set goals on the purpose of "Changing the Way People See the World". The foundation of the 2020 strategic plan is built on six strategic pillars: "Responsible Business, Digital Mindset, Leveraged Destination Management Companies (DMC), Flexible Independent Travel, Be Better and Right Product to the Right Market". This means Intrepid tries to fulfil the needs of a broad set of customers and potential new clients by offering exceptional sustainable, experience- rich travel products and services with the medium of a multi-brand, multi-distribution and multi-region platform. Flexible Independent Travel with high-quality standards can be offered to the customers due to the unique DMC network. Finally, Intrepid strives to sustain its position as a worldwide pioneer in responsible travel with a digital mindset at the core of its business and the constant endeavour to Be Better. (Intrepid Group, 2018b) What each pillar consists of in detail can be found in figure 12.

Figure 12.   The strategic pillars of the 2020 strategy (Intrepid Group, 2018b)

To conclude, Intrepid´s 2020 strategy sets the key goals of Growth and Purpose, which they consider as strongly linked. Because the more the grow they more their area of influence grows, enabling them to do have a bigger positive impact. (Intrepid Group, 2018b)

4.4.2 Correlation with the Sustainable Development Goals

Both companies demonstrate a different way of interpreting their responsibilities and commitment to the SDGs. TUI directly addresses certain targets with strategies and operational measures, while Intrepid tends to interpret them in which way their approach of operating sustainable tourism can contribute to the SGDs. The following tables summarize the given information by both companies.

According to TUI, they can directly contribute to seven of the 17 goals and their specific targets:

Table 2.   TUIs commitment to the SDGs (based on TUI Group, 2017a)

SDG number	Target	Strategy/Operational measures
Goal 4: Quality education	*"Ensuring inclusive and equitable quality education and promote lifelong learning for all"*	- Providing training opportunities with numerous programmes across the group
Goal 7: Affordable and clean energy	*"Ensure access to affordable, reliable, sustainable and modern energy for all"*	- Aiming to run the most carbon-efficient aircraft in Europe by 2020 - Several other carbon improvement targets for their cruises, accommodation, transport, shops and offices
Goal 8: Decent work and economic growth	"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all"	- Employing almost 70,000 people and enabling indirect job creation - To ensure the decency of working conditions TUI has introduced an employee code of conduct and a supplier code of conduct
Goal 12: Responsible Production and Consumption Patterns	"Ensure sustainable production and consumption patterns"	- Targeting to offer 10 million greener and fairer holiday products annually by 2020 - Have been accredited for being part of the UNWTO´s sustainable tourism task force for sustainable consumption and production
Goal 13: Climate action	"Take urgent action to combat climate change and its impacts"	- TUI Care Foundation takes several actions (closer assessed in 4.6.1)
Goal 14: Life below Water	"Conserve and sustainably use the oceans, seas and marine resources for sustainable development"	- Cruise ship systems that pioneer in their industry in protecting the marine environment - TUI´s staff organized beach clean-up campaigns in various countries in the last years
Goal 17: Partnership for the goals	"Strengthen the means of implementation and revitalize the global partnership for sustainable development"	- TUIs representation in the board of GSTC, Participation of the UNWTO Child Protection working group - Participation in UNWTO 10 YFP

Intrepid states that it´s sustainable tourism can contribute to nine of the 17 goals.

Table 3. Intrepid´s commitment to the SDGs (based on Intrepid Group, 2018b; Intrepid Group, 2017c, pp. 41-59)

SDGs	Strategy/ Interpretation	Operational measures
Goal 1: No poverty	- Promoting entrepreneurship and small businesses - Supporting the local youth, women and ethnic minorities	- Child protection: removal of orphanage visits; Child protection guidelines
Goal 5: Gender equality	- Directly providing jobs - Indirectly enabling income-generating opportunities - Resulting in decrease of the economic differences between men and women	- Unconscious bias training - Signage UN Global Compact Women Empowerment Principles
Goal 8: Decent work and economic growth	- Economic potential of tourism and how it can affect the development of a country - Development of individuals by providing skills and professional training	- Surveying employee´s satisfaction - Initiatives to support business partners
Goal 10: Reduced inequalities	- Stakeholder involvement in tourism - If key stakeholders get involved in tourism planning rural development and regional imbalances can more easily be tackled - Constant interaction between tourists and locals lead to a cultural exchange	- Surveying employee´s satisfaction - Interaction with local communities
Goal 11: Sustainable cities & communities	- Improving urban infrastructure - Promotion of regions in decay - Preservation of cultural and natural heritage - Intrepid´s impact→ could indirectly profit from destination improvement	- Focus tours & Urban Adventures
Goal 12: Sustainable consumption and production patterns	- Adopting sustainable consumption and production patterns	- Sustainable grassroots travel - Creation of awareness among customers
Goal 13: Climate action	- Contributing and being affected highly by climate change → inevitable that Intrepid and other tourism businesses take action	- Carbon offset projects
Goal 16: Peace, Justice & strong Institutions	- By creating positive experiences for both parties Intrepid can lay a foundation for tolerance and understanding	- Modern Slavery Statement - Child protection (s. SDG 1)
Goal 17: Partnership for the Goals	- Cross-sectoral nature of tourism can help in cooperation and achievement of common goals	- Staff volunteering programs - Oversea aid programs

The interpretation of the SDGs and commitment to it by Intrepid is formulated predominantly unspecific while TUI addresses specific targets. Both companies explain explicitly how they contribute and commit to the SDGs, which creates credibility. A closer exposition of the operational

measures in context of the keywords used in the tables can be found in chapter 4.5.3.

4.4.3 Materiality Analysis

TUI conducted a materiality analysis for the financial year 2018, leading to the materiality matrix in Figure 13. The assessment is based on the stakeholder groups customers, staff, financial markets, media, NGOs, politics, science, shareholders and suppliers/business partners. By surveying the stakeholders and an impact analysis the most material interests have been determined and prioritized. (TUI Group, 2018)
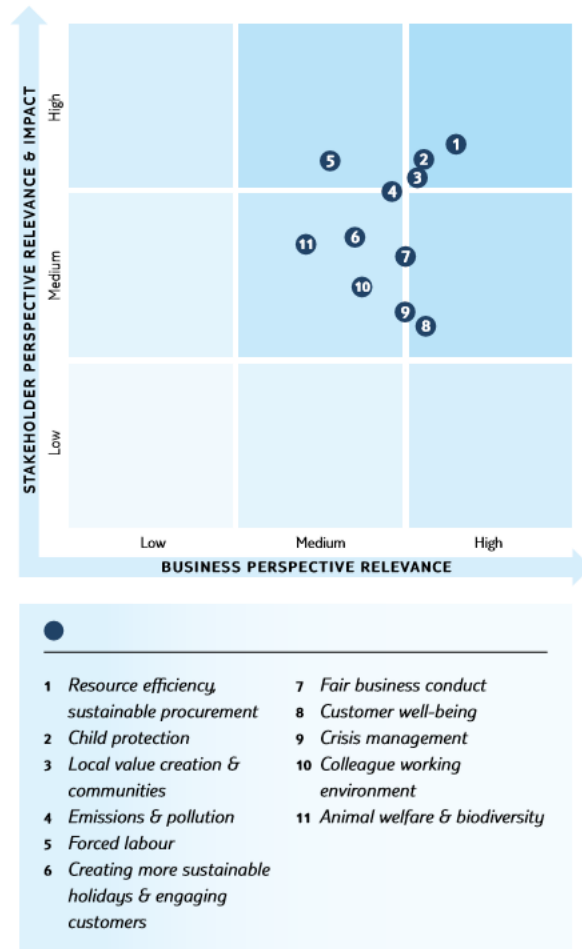
| Figure 13. | Materiality Matrix TUI Group (TUI Group, 2018, p. 84) |

In an attempt to compare the materiality management of both companies, a materiality matrix (Figure 14) for Intrepid has been created by the author. Due to a lack of publicly available information about material issues and the stakeholder management of Intrepid, this matrix is based on statements of publications as well as policies and guidelines of the company. These statements, policies, etc. range from what kind of customers they try to attract to the basis on which they select their

supplier and partners, or the expectations they have towards their staff. This has then been subjectively assessed to point out differences in the strategy and its implementation of Intrepid. The created matrix is based on the key stakeholders mentioned in the annual report (2016) of Intrepid: employees, customers, supply chain partners, travel agent partners and regulators and governmental bodies. To make the results comparable to TUI, the same interests of the stakeholder groups have been chosen. In Appendix 5 and 6 a list of stakeholder interests can be found, which then have been assessed, evaluating Intrepid´s statements in publications, with the table in Appendix 7. Though the data is not representative or objective, the differences between the companies are meant to be illustrated using presumed data. Because this approach is lacking scientific value, the results are not being used in the implications and general evaluation of the company. However, this instrument of materiality management could be a useful tool for Intrepid for benchmarking purposes or other internal demonstration intentions.
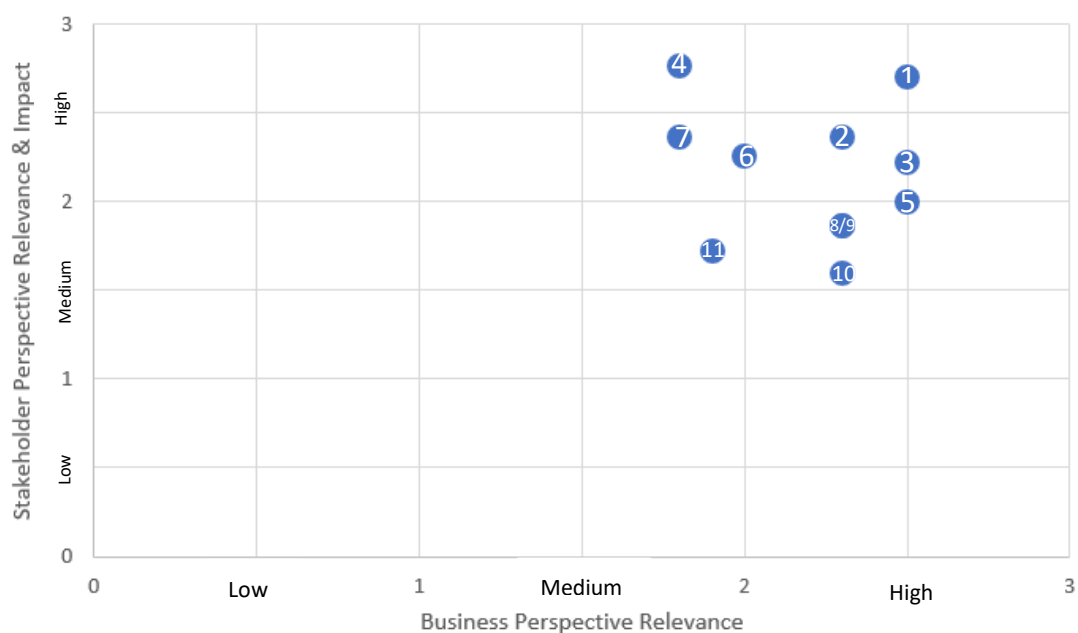
1 Fair business conduct	8 Resource efficiency & sustainable procurement
2 Customer wellbeing	9 Emissions & Pollution
3 Local Value Creation	10 Colleague Working Environment
4 Crisis management	11 Animal Welfare & Biodiversity
5 Creating more sustainable holidays & engaging customers	
6 Child Protection	
7 Forced Labour	

Figure 14.   Materiality Matrix Intrepid Group (based on Intrepid Group, 2018b)

Intrepid states its fair business conduct and local value creation as well the creation of more sustainable holidays and engaging customers as the key

idea of their business, while TUI´s main interest is the resource efficiency and sustainable procurement, child protection, local value creation and customer wellbeing. From the stakeholder´s perspective, the most relevant aspects of TUIs business are the previously first three named aspects complemented by creating more sustainable holiday and engaging customers as well as emissions and pollution and forced labour. In the case of Intrepid, these are fair business conduct, crisis management, customer wellbeing and forced labour. The bigger interest in crisis management in case of Intrepid can be explained by taking a look at the destinations Intrepid offers in comparison to TUI. Intrepid Travel offers holidays in more than 120 countries, including eight low-income countries and 30 lower-middle income countries (Intrepid Group, n.d.b.) that in general bear more risks than more developed countries. TUI´s portfolio solely contains three low-income countries and eight lower-middle income countries (TUI Group, n.d.h, The World Bank, n.d.b). The difference in the interest of stakeholders in customer wellbeing is likely to appear due to the wider range of stakeholders that TUI included in their analysis. Stakeholders like science, financial markets and politics probably do not have a large interest in these matters, because they are not directly affected by the interaction. The difference in resource efficiency and sustainable procurement could be explained by TUIs major interest in cost efficiency and profit maximization, which is also relevant for the stakeholder groups shareholders, financial markets and business partners. TUIs interest in emissions and pollution could be bigger due to its own contribution. With its wide range of cruise ships, aircraft and other transport methods, TUI contributes to the emissions and pollution significantly and therefore has a huge potential to improve, which they acknowledge and work on.

Overall both companies state to have a comprehensive understanding of the stakeholder´s interest and its importance, though only data about management and prioritization of TUI is publicly available. The evaluation of how effectively they operate according to their own principles will be closer analysed in 4.4.4 and chapter 5.

Differences of the created matrix of Intrepid to TUIs matrix can on the one hand be explained by the different key stakeholder groups and by the way the companies operate. For example, Intrepid attracts a customer group that is specifically looking for sustainable holiday, and it´s business partners are mainly selected upon their commitment to sustainable tourism. Therefore, these interests have a higher significance than at TUI that does also try to attract sustainability aware clients though usually attracting a more mainstream target group with a general interest in sustainability. Suppliers do have to fulfil minimums of the supplier conduct but are not mainly selected upon sustainability criteria.

The results cannot be taken in any representative way but are intended to illustrate and symbolize the differences in the philosophy and strategy execution.

4.4.4 Operational Measures

Intrepid tries to incorporate sustainability throughout its whole business model and even established a responsible business department. By offering small group trips including locally immersive experiences they intend to give tourists the chance "build a genuine connection with the locals (…)" (Intrepid Group, n.d.f). By hiring local guides, the use of local transport and accommodation and the inclusion of local vendors they contribute to the local value creation. With numerous responsible business initiatives, ranging from wildlife conservation to child protection, the positive impact of tourism for local communities are supposed to be increased. (Intrepid Group, n.d.f)

To manage its sustainability TUI employs experienced sustainability professionals that work closely with the senior management. Their responsibilities include urging on more sustainable business operations throughout the group and along its supply chain as well as appraise the TUI Care Foundation about new destination project ideas. With the headline goal for 2020 to provide 10 million greener and fairer holidays, meaning 10 million guests being accommodated in hotels with credible sustainability certification, TUI wants to progress to more local value creation, which by 2018 has reached 9.2 million. Simultaneously, TUI interacts regularly with local communities, governments, NGOs and trade associations at destinations. (TUI Group, 2018)

To take steps to the sustainable development goals Intrepid has proceeded various actions and operational measures. To support the diversity and inclusion in the Group, efforts in offering unconscious bias training to all employees, a women leadership forum in Cambodia and the signing the UN Global Compact Women Empowerment Principles have been taken. Overall the actions have led to a 2% shift in gender diversity in staff and local successes for example in India where the number of female tour operators from two in 2014 has increased by 20 in 2017. Several global development training programs for leaders and DMC staff as well as a comprehensive online learning hub provided employees on all hierarchy levels the chance to develop their skills and knowledge. Furthermore, several initiatives, like the Sustainable Tourism Hub in Myanmar, to provide training and business management support for business partners are being carried out. (Intrepid Group, 2017c, pp. 53)

Concerning gender equality, TUI has a high overall proportion of women, totalling to 57%. Although the fraction of women in leadership accounts for just over 34%. Therefore, one of the key focusses of TUI increasing the number of women in management. Actions for this range from the provision of flexible working times to sabbaticals and mobile work opportunities. In compliance with the UK gender pay regulations, UK based TUI businesses determine their gender pay gap to create transparency and to create awareness among HR in tackling the issue. Furthermore, TUI

hiring managers get lectured in unconscious bias training. To develop their Personnel TUI has numerous projects and programmes with the aim of increasing diversity, prepare for future needs and support career development. These range from e-learning and online training platforms to individual learning opportunities, namely, online libraries and digital learning hubs. (TUI Group, 2018)

Intrepid´s Focus tours bring together local NGOs and other social corporations with travellers who want to tackle local issues. With booking these tours local community projects get funded while the tourists learn about a local social issue and its solution. At Urban Adventures tours in cooperation with independent businesses and local entrepreneurs are offered to make the customer gain an insight into the local life in a city while supporting its economy. (Intrepid Group, 2018b)

Efforts in child protection are, namely, the complete removal of orphanage visits from their portfolio in 2016 and the spreading of child protection guidelines among their customers. Additionally, web-based training modules for employees have been introduced to raise awareness among the international teams. In terms of the prevention of acts of modern slavery and human trafficking in Intrepid´s business and supply chain, Intrepid has published a Modern Slavery Statement in 2017. It includes certain steps, outlining the actions taken to prevent, identify and diminish the incidences of all forms of modern slavery. (Intrepid Group, 2017c, pp. 53)

TUI engages in human rights and modern slavery matters by collaborating with the Global Sustainability Tourism Council and Travelife, which both certify hotels that fulfil standards in these issues. Additionally, TUI is a member of the UNWTO Child Protection Task Force and the Code of Conduct for the Protection of Children from Sexual Exploitation in the tourism industry. More than 4,600 staff members at destinations have completed a child protection training in 2018. 82% of employees with direct customer contact have been taught about modern slavery by e-learning and airline crews receive training in how to spot trafficking. Several policies for the prevention of human rights violations and modern slavery have been issued including an Employee Code of Conduct and a Supplier Code of Conduct setting minimum standards for a collaboration. The Code also includes guidelines on human rights and labour legislation, bribery and corruption, consequences for the environment and how to create a fair share for local communities. All hotel suppliers have to get accredited by a credible third-party sustainability certification that includes human rights criteria and modern slavery issues. (TUI Group, 2018)

Since 2010 the Intrepid Group is carbon neutral, meaning with creating carbon offsets the greenhouse gas emissions generated by business operations and travellers of Intrepid are balanced out through the

allocation of funds to emission reduction programs. This is done by first calculating all carbon usage and then acquiring carbon credits from six internationally verified carbon reduction projects. Since 2009 carbon offset of Intrepid totalled to 310,000 tonnes. Though Intrepid also engages in this in its business operations by designing trips to minimize their physical and environmental impact. Examples for this are the education of customers about the consequences of plastic pollution while suggesting alternatives and the use of waste management systems in their offices around the world. (Intrepid Group, 2018b; Intrepid Group, 2017b, pp. 18-19; Shabada, 2017; Intrepid Group, 2019c)

With their aircraft, cruise ships and hotels, offices and ground transport TUI accumulates a significant carbon footprint and heavily contributes to issues of CO2 emissions and pollution. To encounter these issues TUI takes several operations. In terms of aircraft, TUI renews their fleet with more fuel-efficient planes to curb carbon and NOx emissions and noise. At the same time, they work on process optimisation of flights planning and execution, reduce the weight and use fuel management systems as measures to achieve their target of the reduction of operational carbon intensity by 10% by 2020. So far, TUI airlines belong to the globally most carbon-efficient ones. The negative impact of cruises is intended to be reduced by using newest technology including smart energy management systems, efficient air conditioning and lighting controls, the use of waste heat and treatment of exhaust fumes as well as water desalination facilities. Ships with these technologies were able to reduce the amount of sulphur emissions by 99% and significantly reduce CO2 emissions. To work on the waste reduction on ships, TUI uses waste analysis tools for food waste, and biological sewage treatment systems for wastewater on some of their ships. Although these systems have not been implemented at all cruises yet, TUI achieved a reduction of relative carbon emission of cruises of 6,5%, of wastewater of 13,6% and freshwater consumption of 31,9%. With the initiative saving our oceans TUI Cruises shows effort in protecting species and nature conservation projects in destinations by donating 5€ per booked trip and teaching customers about local cultural and natural sights. Hotel initiatives for sustainability include installations of solar panels, reduction of plastic waste, programmes for saving energy and water, effective waste management and the reduction of carbon emissions per guest. TUIs ground operations comprise offices, retail shops, brochures and transport. To decrease the emissions of transport TUI mainly works on improving load factors in key destinations. For retail stores and offices, they concentrated on purchasing `green` energy (accounted for 35% of TUI Group´s electricity) and energy monitoring technology. The number of printed brochures were reduced by two thirds since 2012. (TUI Group, 2018; TUI Group, 2017a)

In regards to animal welfare, Intrepid actively discourages guests from the participation of activities that exploit animals. Specific commitments included, for example, the removal of elephant rides from all tours as first

tour operator worldwide and the issuing of a guideline for animal welfare for staff and customers. (Intrepid Group, 2017a; Intrepid Group, 2016)

TUI also banned elephant rides from their portfolio. Their efforts in animal wellbeing include audits of their suppliers with their compliance to ABTA guidelines (Global Animal Welfare Guidance for Animals in Tourism). On behalf of TUI, more than 300 independent assessments of activities including animals were made. The consequences ranged from improvement plans to the termination of several kinds of cooperation with suppliers. (Intrepid Group, 2017a)

4.4.5 Certification

With being a signatory of the UNGC since 2008, Intrepid is committed to the transparency and public accountability support of the largest corporate sustainability initiative (Intrepid Group, 2018b). Furthermore, the Intrepid Group has received numerous certifications and awards for its sustainability commitment. The NGO *Friends International* certified Intrepids Myanmar office as the first company in Myanmar to be "Childsafe". The office in Marrakech received the ´Tourism and Climate´ prize from the Moroccan Sustainable Tourism Awards and business operations in South America have been assessed by Rainforest Alliance, reaching highest scores with 100% for all critical assessment criteria. (Intrepid Group, 2017b)

Other achievements include the listing of the World´s Most Innovative Companies for 2019 by the world's leading business media brand Fast Company (Fast Company, n.d.). The list credits corporations with the most profound impact on industry and culture. Recently, Intrepid has been certified as the world´s largest travel B Corporation after a three-year accreditation process. (Intrepid Group, 2019a) In the process the company was independently assessed, concerning social and environmental performance, accountability and transparency throughout all 23 companies incorporated in the Intrepid Group, achieving a total score of 82,7 out of 200. (Intrepid Group, 2018a)

Since 2012 TUI is a signatory of the UNWTO Global Code of Ethics and since September 2014 of the UN Global Compact. The corporate headquarter of TUI is ISO 14001:2015 certified as well as 95% of their aircraft and all cruise ships. TUI Airways was listed first and TUI fly Germany as third most carbon efficient airlines worldwide in the 2017 atmosfair Airline Index. Additionally, TUI fly Belgium rewarded with the Brussels Airport Environment Award in 2018. With one of their projects (*Sustainable underwater-don´t leave a trace*) TUI Cruises earned recognition at the GreenTex awards and was awarded the EcoTrophea in 2017. In the accommodation sector, TUI encourages their hotels to receive certification from a GSTC recognized certification programme, which 80% of all TUI Hotels and Resorts achieved by 2017. In general, TUI is listed in the

sustainability index FTSE4Good and on the STOXX Global ESG Leaders Index Register as well as in the RobeccoSAM Sustainability Yearbook of 2018. In the Ethibel Investment TUI was rewarded as a leader in carbon disclosure, management and performance, making them belong to the top 18% of corporations. In German Sustainability Awards, TUI reached the top 3 of most sustainable large businesses. Single TUI brands were awarded several times in the last years. In Sweden and Norway, they achieved first place in most sustainable travel company of 2017 in the Sustainable Brand Index and TUI Nederland received the Dutch Travel Association ANVR Award for initiatives in Curaçao. (TUI Group, 2017a; TUI Group, 2018)

With the B Corporation certification Intrepid has been assessed independently with a holistic certification scheme against the CSR core elements of *accountability, transparency, ethical behaviour, respect for stakeholder interests, respect for the rule of law, respect for international norms of behaviour and respect for human*. TUI´s efforts in these have not been assessed holistically which makes it difficult to evaluate if all aspects are fully covered, though several official certifications point to it.

4.5   CSR in tourism in LMICs - measures and their effects

TUI´s and Intrepid´s main CSR efforts and commitments in LMICs can be summarized under five key aspects: local value creation, biodiversity & animal welfare, human rights & child protection, training & education and the creation of awareness. Both companies have set different priorities under these key aspects.

In general, Intrepid has put more effort into community-based tourism initiatives which total to 30 worldwide in 2019. (Intrepid Group, 2019b) Intrepid offers homestays in countries like Vietnam, Cambodia, Kyrgyzstan and Tajikistan, as well as Myanmar and Guatemala. These kinds of accommodation are intended to lay the basis for cultural exchange and also directly benefit the local incomes. Overtourism is one of the issues Intrepid addresses in their CSR approach in 2019. To anticipate this issue and to contribute to more dispersed tourist volume, Intrepid has changed trip itineraries to avoid the contribution of congestion and overcrowding at popular destinations in countries like Sri Lanka, Vietnam, Morocco, Peru, Nepal, Cambodia and Uzbekistan. (Intrepid Group, 2019b) By putting this much resources in the local value creation Intrepid does create credibility of having their business idea build around sustainable tourism and local value creation.

TUI´s CSR initiatives in low- and middle- income countries are predominantly addressed to the aspects of child protection and training & education. As mentioned in the materiality analysis, TUI ranks child protection as highly significant for their corporation, which also reflects in their numerous initiatives in countries like Thailand, Vietnam, Indonesia, Dominican Republic and Mexico. (TUI Group, 2017a) Although most of

their CSR programmes are closely linked to their business operations, one could speak of a more philanthropic approach in this matter. TUI cannot really profit from for example general training and education programmes for street children, or holistic multi-stakeholder projects for child protection but makes clear that they value business ethics in this matter very high.

Concerning training and education TUI has various projects, many of them specifically training potential staff for the hotel industry and also the development of skills of hired staff. Thereby, TUI does contribute to the education of locals, while profiting from supplying their own qualified current and future employees. (TUI Group, 2015; TUI Group, n.d.e) Intrepid focusses many of their training and education programmes on encountering gender imbalances and training of the youth. (Intrepid Group, 2017b)

A distinguishing feature of Intrepid´s CSR management, in regards to the aspect of human rights and child protection is the official decision to not boycott whole countries which reportedly committed human rights violations. According to Intrepid, they do not see boycotting as an effective measure to positively affect a country. Intrepid argues that many countries, even high-income ones have partly highly controversial human rights records. Only including real ethical destinations would reduce the portfolio significantly. Furthermore, the consequences of boycotts are usually not felt by the right people but rather the vulnerable locals. Instead, Intrepid wants to raise awareness with their travels and connect people of different cultures, which reinforces more cultural understanding and empathy across nations. (Thornton, 2018)

For the protection of biodiversity and animal welfare, both TUI and Intrepid present a diverse set of initiatives. In TUI´s case these range from beach clean-up projects, the introduction of recyclable and reusable plastic cups and straws to the installation of desalinations systems, the establishment of private conservation areas and innovative animal protection teaching methods in countries like Cape Verde, Mexico, Curacao, Cyprus, Costa Rica and the Maldives (TUI Group, 2017a). Intrepid, for example, supported research on animal welfare specifically on elephants in Nepal or engaged in projects addressing reforestation, degradation of habitat and the reduction of carbon emissions (Intrepid Group, 2019b; Intrepid Group, 2017b; World Animal Protection, 2018)

To create awareness for the most material issues of the tourism industry TUI senior personnel participates in several forums such as the COP22 Summit in Marrakesh, Morocco or road shows in Jamaica, Aruba and the Dominican Republic to present the advantages of sustainability certification for hotels. (TUI Group, 2017a)

4.5.1   Assessment of external institutions

With the establishment of the TUI Care Foundation (TCF) in 2016, TUI reinforced its striving for more sustainable business and using tourism as a force for good. By setting up and sponsoring of partnerships and projects, TUI tries to embrace their customers to develop an awareness about their holiday destination and to donate for supporting a positive local impact. The foundation is active in three fields of engagement, which they summarize as empowering young people, protecting the natural environment and thriving destinations. The foundation´s activities are especially addressed to countries which have a high significance for TUI as a destination and simultaneously have a comparatively high deficiency for socio-economic development. The projects of the TCF are closely linked to the business operations of the TUI Group and are exclusively initiated in countries where TUIs holiday destinations are located. TUIs ambitions in these projects can be found in Appendix 8 and specific projects under https://www.tuicarefoundation.com/en/projects. A few of TFC´s projects cannot directly be associated with tourism or any supplier business, such as a biking project for women in Morocco. Those projects are solely philanthropic to support local development. Donations collected in 2017 and 2018 accounted for 15.1 million Euro and the overall goal of the foundation is to reach 10 million each year by 2020. TUI tries to achieve this by especially raising more attention for the Foundation´s work among clients, employees and other stakeholders. Customers are encouraged to donate in the booking process, or they can directly donate to the foundation over their website. Furthermore, charity fundraising events for clients are organized at the destination and also several excursions contain a donation. (TUI Group, 2018; TUI Group, 2017a)

In a similar way, Intrepid´s efforts in sustainable tourism encompass the responsible business efforts and are expanded by the not-for-profit Intrepid Foundation, which was founded in 2002. The purpose of it is to encourage travellers to contribute to making a difference in the places they visit and support local communities. (Intrepid Group, 2018b) The Intrepid Foundation aims to enhance the lives of vulnerable individuals and communities. Examples for specific projects of Intrepid can be found under https://www.theintrepidfoundation.org/page/projects. Like TFC, the Intrepid Foundation also supports a few projects which do not directly correlate with tourism, such as a refugee project in Turkey. In total, the foundation has donated more than AU $ 6 million to over a hundred NGOs since 2002. (Intrepid Group, n.d.e)

The Intrepid Foundation specifically supports initiatives to enhance the job readiness of people by offering skills and vocational training, initiatives that promote labour rights of especially women, youth and minorities and initiatives for employment creation by encouraging tourism products which necessitate job opportunities. (Intrepid Group, n.d.e) The current target for 2020 is on one hand the creation of 250 vacancies and on the

other hand the support of 1,000 people in becoming appropiately skilled for the labour market. The group itself contributes by encouraging their customer groups to donate in the booking process or afterward while covering all administrative costs. (Intrepid Group, n.d.e) Accordingly, the foundation is partly funded by donations included in bookings, direct donations to the foundation and donations collected at workplaces from Intrepid employees or fundraising events, which then get transferred to projects without any deductions. (Intrepid Group, 2018b)

4.6   **Comparison of financial figures, foundations & carbon footprints**

The following table presents an overall comparison of the companies´ general information, financial figures as well as the foundations and environmental influence. The purpose of this table is to demonstrate the differences in business size and business type as well as pointing out the key differences in their foundation management and carbon footprint based on financial figures. The currency exchange rate used for Australian Dollar is based on the average currency exchange rate of 2018 (AUD$1,58= 1€) according to Statista (2018).

Table 4. TUI and Intrepid in comparison (based on Intrepid Group, 2017b, TUI Care Foundation, n.d.; TUI Group, 2017c; TUI Group, 2018; Intrepid Foundation, n.d.a; Intrepid Group, 2019c)

Category	TUI Group	Intrepid Group
General Information 2018 (2017)		
Business model	End-to-end package holiday	Small group adventure tours
Headquarters	Hannover, Germany	Melbourne, Australia
Number of employees	69,546 (66,577)	2,133 (1,771)
% women in managerial positions	34.5%	48%
Employee Engagement Score	76%	82%
Number of destinations	115	120
Number of customers	27m	431,000
Key Financial numbers 2018 (2017)		
Group Revenue	€19,523.9m (€18,535m)	€254.43m (€ 215.82m) = AUD $402 m (AUD $341 m)
Earnings before interest, taxes, depreciation & amortization (EBITDA)	€1,498.5m (€1,490.9m)	€10.2m (€8.4m) = AUD $16.1 m (AUD $ 13,196)
Profit after tax	€780.2m	€6.2m (€ 4.5m) = AUD$9.8m (AUD$7.043m)
Foundations	**TUI Care Foundation (2016)**	**Intrepid Foundation (2002)**

Number of projects in low- & middle-income countries	31	15 +2 international projects
Amount of donations raised in 2018	€7.8m	€727,848.1 = AUD $ 1.15 m
Operational costs	Covered by Group	Covered by Group
Donations compared to Group Revenue in 2018	0.04%	0.29 %
Customers donating to foundation in 2018	No information	4.1%
Carbon Footprint in 2018 (2017)		
Total CO_2 Emissions in tonnes	7,920.172 (7,556,457) → +4.8%	34,924 (28,902) → +20,8%
CO_2 emissions on average per guest	290 kg	81 kg
Carbon offset projects	none	6 in Australia, Borneo, India, Malawi, Peru & Turkey

Accordingly, differences between the two companies can be found in various aspects. First, TUI and Intrepid distinguish in offering different kinds of tourism products and different business models. The contrast in size of business shows for example in the number of employees and the yielded revenue with which TUI turned over more than 76 times as much as Intrepid. Looking at the profit after taxes and EBITDA this becomes even more clear. EBITDA was about 147 times as high and profit after taxes about 126 times as high as Intrepid´s. Intrepid does have a more diverse management and offers more destinations in comparison to TUI. Additionally, Intrepid has a higher employee engagement score. An employee engagement score is a measure to appraise how connected employees feel to their job, the company and its goals (NHS National Workforce Projects 2007). It thereby can give an insight into aspects such as job satisfaction, organisational commitment, turnover intentions, and physical and mental wellbeing of employees. All these aspects have an immense influence on key organisational outcomes, namely efficiencies, productivity and innovation and are therefore important determinants for the companies´ management (West & Dawson, 2012, p. 7). TUI has more than double as many projects in low- and middle- income countries and raised donations, worth ten times as much as Intrepids, though the size of business in this context needs to be considered. Subsequently, Intrepid raised 7 times as much donations if the sizes of the businesses are assessed on the basis of the revenue. TUI customers create three times as much carbon emissions as Intrepid customers, although Intrepid´s itineraries usually do not contain arrival and departure flight to a trip and therefore are not included in the calculations of their carbon emissions. Finally, more than 4% of Intrepid customers donate to their foundation which can be seen as a sign for successfully promoting their foundation.

5 IMPLICATIONS

This study supported the findings of Jamali & Mirshak (2007) that more research in CSR practices in tourism in LMICs is needed. CSR has gained more and more attention over the past years, however this has predominantly been drawn toward western country corporations. Academic publication of the topic has mostly been published about western Europe, the USA and Australia while little has been investigated about practices in low- and middle- income countries. In the sense of a strategic CSR approach, the local socio-cultural environment and the economic development play an important role in adapting the strategy to achieve most efficient results. Therefore, more research in CSR practices and their outcomes can give internationally operating corporations and certainly local companies of low- and middle- income countries valuables insights and facilitate a broader understanding beyond the boundaries of compliance and publicity.

Through the nature of business of tourism and global trends of tourists wanting to explore more remote and unknown places, big tour operators such as TUI Group and Intrepid Group can have a major influence on developments in this matter. Tourism industry can quickly develop in countries where other industries are hesitating to expand or establish their facilities. Additionally, tourism can be environmentally gentler compared to other major industries, like mining or chemistry. Entry barriers are not as high and with an effective CSR management, corporations like TUI and Intrepid, can have a role model effect for new local businesses. Local tourism businesses and also local suppliers are usually not aware of the effects of quick development of tourism and the differences in attracting suitable tourists, their demand and potential (Aslam, et al., 2012). In many destinations, tourism is dominated numerically by small businesses that do not share a common perception of their social impact and responsibility individually, which in sum can have a disastrous effect (Middleton& Hawkins, 1998). Hence, outside marketing agents, tour operators and entrepreneurs with their experience in business operations and CSR can serve as an example of minimizing negative externalities of tourism while ensuring the natural and economic integrity of the environment, a sensitive approach to natural and cultural resources and maintaining the assets for future generations (Popescu, 2018). Through this small- and medium-sized businesses can be sensitized if they are getting access to knowledge and capacity, or even new technology that animates investment in more sustainable business practices (World Tourism Organization, United Nations Development Programme, 2017). For this, the principles from ISO 26000 accountability and transparency are crucial to enable such evolvements.

The TUI Group puts a big emphasis on their transparency, publishing comprehensive information about their strategy, operations and

management, positive and negative impacts and future plans in forms of annual reports, sustainability report and regular publications. On the other hand, Intrepid Group does not provide such holistic reporting. They published their first joint annual report about the financial year 2016, which only provides rudimentary information compared to TUIs holistic reports and recently published their 2018 annual report in April 2019. Though having been assessed on their transparency, reaching a good score with the B corp certification and having this report published, exclusively information about the results are publicly available and not any data about what and how exactly the assessment has been done and scored. Especially aspects that did not reach a high score with a lot of potential for enhancement would be interesting for the public. The scoring of Intrepid of 82,6 points is close to the minimum requirement of 80 points, therefore, many factors of their business operations seem to have potential to be enhanced.

One subject Intrepid only broaches in their report is the management of their stakeholders. Managing all involved stakeholders fair and intensively is one of the core aspects of CSR in tourism. Companies have to perceive that stakeholder management is a prerequisite to gain a competitive advantage through CSR, by creating shared value instead of pure philanthropy. This also correlates with another core aspect of sustainable tourism; the competitiveness. Decent working conditions, poverty reduction and social inclusion as well as conservation of natural and cultural heritage are other important factors to introduce a holistic CSR approach in tourism businesses. This can be done by self-imposed sustainability policy that goes beyond legal requirements and closes the gap where governmental structures are missing in matters of Human Resources, consumption and production patterns, equality or other aspects. This can guarantee the consistency of CSR endeavours. TUI and Intrepid both have a wide range of self-imposed policy.

Economically for tour operators like Intrepid and TUI, the creation of linkages instead of leakage is an essential point, especially with the food sector. Environmental aspects of sustainable tourism range from pollution, animal welfare to biodiversity protection and prevention of land degradation. In general, it must be said that the environmental costs of tourism operations are just partly trackable. Indirect cross-regional effects often cannot be traced back to original source. Nevertheless, they should not be ignored. While the economic impact and partly the environmental costs are measurable, social costs are difficult to quantify, which makes the evaluation of the comparison of the two companies difficult. Despite that, it is evident that the introduction or development of tourism accelerates losses of socio-cultural assets.

The case example of Sri Lanka proofed that tourism can have several negative effects which can usually not directly be traced back to single tourism businesses or tour operators. It also presented that a more

sustainable approach can be successful through active stakeholder involvement, though it is difficult to cover all aspects of sustainability simultaneously. TUI and Intrepid both operate in the country and TUI even has the hotel that functions as role model for sustainable tourism in Sri Lanka in their portfolio, though does not advertise this special feature of awarded sustainability in their product presentation. Intrepid does additionally tackle the issue of overtourism in Sri Lanka by offering alternatives to tourist "hot-spots".

To answer the research question: What differences between TUI Group and Intrepid Group can be identified in the Corporate Social Responsibility management and its social impact on lower-income countries? Firstly, the strategies of both companies have been compared. TUI is a huge travel corporation for which profit maximization is an essential strive in their operations while Intrepid build its whole business idea around the creation of local and shared value through sustainable tourism. Though it must be acknowledged that Intrepid lost part of its credibility in this matter by venturing with TUI.

On the background of the strategic CSR term, both companies state credibly to incorporate the CSR endeavours in every decision on all hierarchy levels and used it as central element of their vision and strategies. While Intrepid build its whole business idea around the topic, TUI has partly integrated it into their general strategy and additionally has created a sustainability strategy. Both companies try to actively include all relevant stakeholders. Intrepid has proven itself as especially innovative in this matter by reporting on several projects which presented new ways of stakeholder involvement. The two corporations have a long-term approach in their CSR endeavours which can also be seen in their commitment to contribute to the Agenda 2030.

Concerning the SDGs, both companies believe to be able to positively contribute. Still, a few differences could be found. TUI incorporates the goal number 4 (Quality education) and goal number 7 (Affordable clean energy) in their approach. The quality education is one of the focusses of their projects with the TUI Care Foundation and affordable clean energy is addressed to their aircraft management. In contrast to that, Intrepid identifies with goal number 1 (No poverty) as it states to support local entrepreneurship and small businesses by cooperation and partnerships. Other goals not in included in TUI´s approach but in Intrepid´s is goal 5 (Gender equality) and goal 10 (Reduced inequality) by intensive stakeholder involvement and efforts in decreasing gender or other forms of inequalities. Goal 11 (Sustainable Cities) by the protection of destinations by including alternatives for overcrowded destinations and goal 16 through cross sectional nature of tourism.

Another difference at the core of the companies are the countries of operation. Intrepid has a broader portfolio consisting of many low- and

lower-middle income countries and thereby bringing income opportunities in countries and regions which without their operations would not get as many tourists. TUI instead usually operates in more popular destinations though bringing bigger numbers and employment opportunities to local residents by establishing hotels and resorts. However, due to the large scale of TUI business, the impact on the environment and culture of destination is way more significant. By facilitating mass tourism, the stress on the local environment and community can be tremendous. This is probably the biggest difference between the two companies. Especially in 2019, Intrepid actively tries to avoid its contribution to overtourism in several destinations while TUI only tries to mitigate the negative effects it has.

Concerning operational measures for more sustainability in their management both companies have different approaches. Though stating trying to reduce carbon emissions, both companies carbon footprints have been growing, which mostly is due to the fact that the corporations have enlarged over the past years. TUIs nature of business with cruise ships, all-inclusive resorts and aircrafts are more pollution intensive in regards of carbon emissions, sewage and garbage. Intrepid neutralizes its carbon footprint by investing into carbon offset projects. However, one factor has to be acknowledged. Intrepids itineraries do not include flights, except for short-haul flight as part of a trip. For this reason, Intrepids carbon footprint is not comparable to TUI´s, which´s aircraft represents 80% of all its carbon emissions. Accordingly, Intrepids carbon neutrality of the business must be seen critical. Their tours naturally necessitate or encourage their customers to use air travel and they do offer extra customer service for this purpose. The exact amount of these contributions to carbon emissions are difficult to measure, because many travellers might just go on an Intrepid trip as part of other travels. But still these indirect contribution to carbon emissions should not be neglected in the discussion. The goal of carbon neutrality for a corporation like TUI so far is unrealistic to achieve. However, investments into carbon offset projects could decrease the amount.

Both companies are lacking the ISO 26000 accreditation though in environmental terms, TUI for most parts of their business is ISO 14001:15 certified. Intrepid has been certified as B corporation which included an assessment covering most sustainable tourism principles and core aspects though the exact outcomes of the evaluation have not been published.
Due to TUI´s size of business with more than 27 million customers a year in quantity changes to more sustainable business practices will probably be more observable, however, Intrepid´s approach is more stringent and could possibly more positively inspire local entrepreneurship.

Both companies engage in several programmes and projects which show their commitment to a more sustainable tourism. It was partly difficult to retrace which projects are directly initiated by the companies themselves

and therefore financed by the operative budget and which projects are completely conducted by the foundations. However, both companies´ projects are predominantly closely linked to their business though Intrepid and TUI additionally invests in projects that they cannot directly gain any benefit from. Hence, both companies´ approaches are mostly in line with the idea of strategic CSR.

5.1 Limitation of the study

The opportunities to actually evaluate the effectiveness of projects and operational measures of both companies, according to the indicators of the sustainability of tourism practices, are limited due to the lack of internal data of both companies. Publicly available data did not provide the information needed to actually enable the evaluation. Therefore, it cannot be said if the approach of one company is more successful and effective than the other one. The fewest projects have certain measurable results. Either the data is not publicly available or numbers like a success rate or similar evaluation data have not been collected.

Except for general environmental key figures (e.g. carbon emissions), solely positive examples and impacts could be analysed by the author, because these were exclusively published by the companies. No scientifically reliable information could be found as an evidence of direct negative social impacts triggered by any of both companies´ operational measures and therefore could not critically be assessed and included in the discussion. A larger investigation in connection with a hands-on analysis of specific cases in destinations, could have provided additional examples and further, more objective insights on the specificities of the social impact of TUI and Intrepid in low- and middle- income countries. Due to the methodological choices for the thesis, consequently, the data did not provide sufficient details to answer the research question comprehensively.

6 CONCLUSION

By analysing the economic literature on the subject of CSR, it became clear that there are numerous interpretations of the term itself and also of the meaning of sustainable development. In recent years, both terms have gained significance and entered public discourse resulting in legislation like the EU Directive 95/2014 and the establishment of the Sustainable Development Goals. Nowadays, CSR is understood as concept to create shared value instead of pure philanthropy which can create a competitive advantage for the committed company. Motivations for CSR in business can range from ethical to legal or economic matters and can even be completely induced by public pressure. Every kind of business has a social impact through its operations. These can be classified in economic, environmental and social impacts. To measure the social impact, indicators can be used which are incorporated in frameworks and guidelines for social impact assessment. One essential aspect of CSR is the stakeholder management. A stakeholder analysis is the prerequisite for establishing a CSR strategy and must consider all relevant stakeholders and their interests. For prioritizing the relevance of those interests a materiality analysis can be a useful tool. Companies that commit to CSR can get certified. Most common standard for this purpose is ISO 26000 for social responsibility.

CSR in tourism has for a long time been perceived as negligible. Even though tourism businesses should have an interest in maintaining the asset of their product consisting of nature, society and economic stability, few businesses actually do have an awareness of their social impact. The social impact of tourism always depends on the conditions of the destination, stakeholders and the business operator and cannot generally be stated.

Concerning the motivation and drivers for CSR in tourism businesses, the presented studies showed that there is a raising interest and demand for more sustainable holiday experiences. Interested customers can rely on officially recognized certification schemes, verified by either the STSC or the GSTC to find trustworthy tourism products which align with sustainability criteria. For tour operators fully integrating sustainability in their business practices can be a difficult task due to long and complex supply chains, though specific tools and guidelines can be useful in the introduction and development of CSR in tourism businesses. Several of the SDGs can severely be affected by tourism which is why sustainable tourism is included in some of the targets. Few tourism businesses are already engaging to a positive contribution and more awareness towards the topic especially among small- and medium- sized businesses must be raised.

The results about tourism in low- and middle- income countries demonstrate two features. First, tourism has great potential to help

countries in economic illness. Second, tourism can bear many risks if not managed sustainably. The main apparent issue in those countries is the leakage effect. It can be mitigated but a total prevention is unrealistic. Therefore, governments and the local community of new destinations must take into consideration that a compromise must be found with international corporation bringing foreign investment into the country or region. Usually the benefits at least in the short-term outweigh the concerns, however, tourism development evidently leads to high environmental and socio-cultural costs in the long-run.

The tour operators TUI Group and Intrepid both present themselves as strongly committed to CSR measures and sustainable tourism. The nature of the business types of TUI Group and Intrepid Group are definitely reflected in the CSR approaches of both companies. Although sharing some similarities especially in project work and overall vision, both companies have different approaches in their business practices. The assessment demonstrates that the companies still have a lot of potential for improvement in their CSR management. In case of Intrepid this is mostly addressed to basic principles of CSR such as transparency and accountability. Furthermore, the neglecting of their responsibility in regards of encouraging their customers to use air travel, is another aspect which must be seen highly critical. TUI, on the other hand, can mainly be criticized on the basis of facilitating and expanding mass tourism and its massive carbon footprint. Positive exemplary aspects of CSR management in case of Intrepid can be found in the approach of investing in carbon offset projects and comprehensive innovative projects in low- and middle-income countries in either developing or regenerating tourism. In case of TUI the holistic public transparency and use of newest technology to decrease environmental pollution are contributions which could be widely applicable throughout the tourism sector.

The findings at least hint that both companies have strong commitment and strives to improve their CSR performance and business operations to more sustainability. It remains unclear how exactly the extent of their positive and negative social impact is defined. Many questions remain unanswered due to the main limitation of lack of internal data. Further research in matters such as overtourism and the individual social impact of tourism institutions or organizations could provide valuable information for the companies themselves and the whole sector.

To conclude, both companies take a leading role in the sector in their CSR endeavours. While Intrepid has the idea of sustainable tourism at the core of its business, TUI is working determined and persistently on changing its business towards more sustainability.

The tourism sector characteristically has a difficult relation to CSR and sustainability. The demand for travelling and holiday will never be extinguished. Therefore, it is a necessity that the sector develops more in

these matters. Especially large corporations with a market power like Intrepid and TUI can function as role model, encouraging competitors and smaller businesses to follow and influencing supply and demand in tourism sustainably.

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INDICATORS FOR THE SOCIAL IMPACT OF TOURISM BUSINESSES (based on UN Inter-Agency and Expert Group on Sustainable Development Goal Indicators, 2016; Tanguay, et al., 2012; Dupeyras & MacCallim, 2013)

Economic indicators	- Tourism direct GDP compared to total GDP including growth rate - Number of jobs in tourism sector compared to total jobs number including growth rate of jobs, by gender - Number of different products/services sourced locally
Environmental indicators	- Renewable resources (solar, wind, etc.) used in tourist accommodations as a percentage of total fuels used - Amount of water recycled as a percentage of total water that could be potentially recycled - Water/energy consumption per tourist - area beach (parks etc.) per tourist (average and peak) in m² - area of open space per tourist in m² - Quality of water measuring concentration of numerous pollutants - percentage of materials which can be recycled compared to recycled materials - percentage of sewage water recycled - Number of tourism facilities offering tourist services with environmental sound systems for reducing overconsumption of resources and waste generation compared to total number of establishments - Readily available information for tourists and the industry in general for the adoption of low-consumption patterns, - waste generated per tourist - Percentage of generated solid waste disposed in landfills - Percentage of wastewater receiving treatment

		• Number of special interest sites (natural, cultural) under protection compared to those without any protection • Number of endangered/threatened species in the destination´s region
	Social indicators	• Ratio of local residents compared to tourists in peak season • Ratio of local residents to number of tourists per year • Gender ratio in tourism sector per region/country • Unemployment rates in the off-season periods • Local unemployment of tourism destinations compared to regional or national unemployment • Ratio of products and services offered in off season period compared to peak time • Number of educational/informational programs for locals • Number of local meetings to discuss issues before policies are implemented • Availability of measures for stakeholders involvement to suggest changes in policies • Percentage of staff with degree of a tourist school or other higher education • Training initiatives by companies • Graduates of tourist schools or higher education working in tourism sector per 1000 tourists
	General indicator	• Number of sustainable tourism strategies or policies and applied action plans with agreed monitoring and evaluation tools • Implemented procedures to monitor and assess constantly the progress of tourism development • Number of tourists acquiring services of independent tour operators compared to large-scale mainstream Tour operators

GLOBAL SURVEY ON SUSTAINABLE TOURISM DEMAND (TUI Group, 2017b)

SUSTAINABLE TOURISM MOST POPULAR AMONG GERMAN AND FRENCH TOURISTS

% select 'I book environmentally friendly holiday trips'

18% France

6% Sweden

9% Belgium

17% Germany

9% United Kingdom

5% Netherlands

Online quantitative survey amongst 18-70 year old holidaymakers, who have taken a flight in the past two years.

HOLIDAYMAKERS VALUE THE IMPORTANCE OF REDUCING THEIR OWN CARBON FOOTPRINT

% agreement with "It is important that everyone does their bit to reduce thier carbon footprint"

82% Netherlands

85% Belgium

78% Sweden

83% United Kingdom

82% Germany

91% France

Online quantitative survey amongst 18-70 year old holidaymakers, who have taken a flight in the past two years.
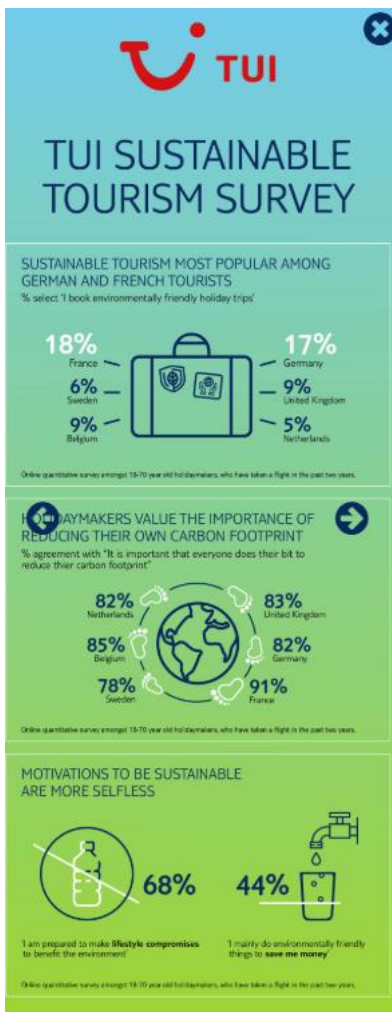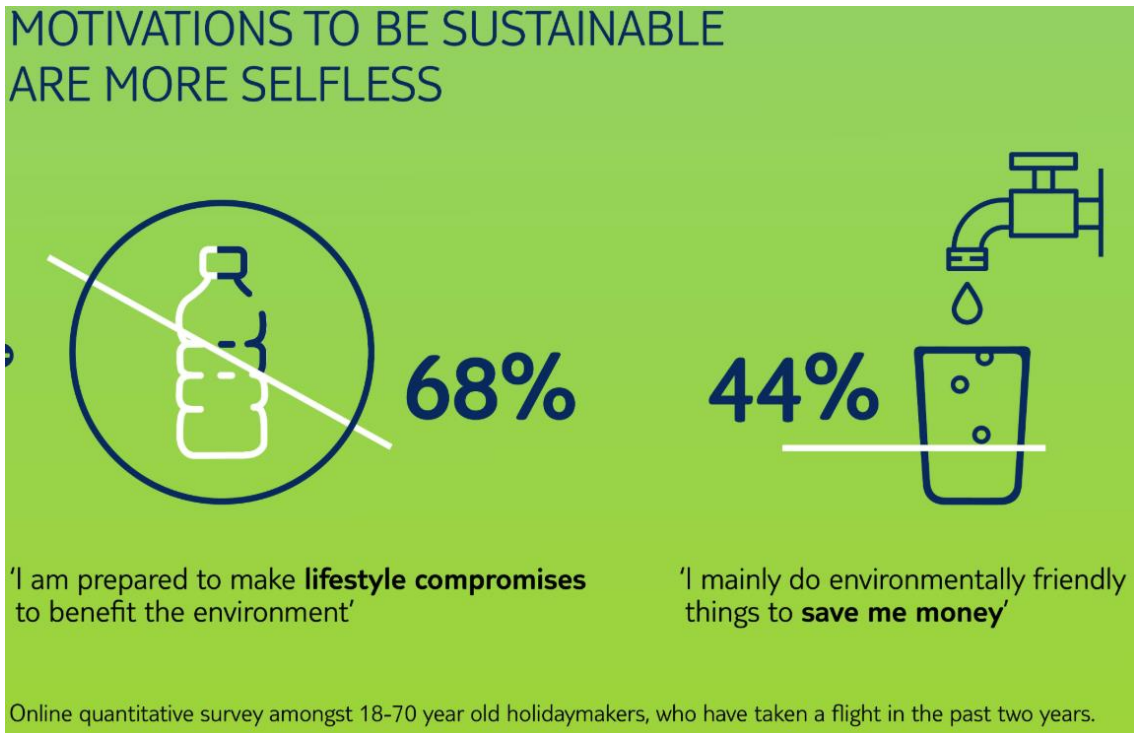
DEMAND FOR MORE SUSTAINABLE ACCOMODATION IN TOURISM (Booking.com, 2017)

Top-5 reasons global travellers choose eco-friendly accommodations:	
To help reduce environmental impact	52%
They provide a more locally-relevant experience	36%
They treat the local community better	31%
They tend to provide more locally-sourced/organic food	30%
An interest in experiencing new trends in travel accommodations	24%

Luxury adjustments travellers would be willing to make to stay somewhere eco-friendly:	
Energy saving light bulbs	94%
AC/Heating units that only run while you are in the room	89%
Low flow showerheads	80%
Recycled toilet paper	79%
Less frequent toiletry replacement	79%
Linen and towel chances less frequently	75%
Higher cost for food because its' all locally produced	64%

Top-5 most important green/eco-friendly practices when considering a property to stay in:	
Solar Energy	67%
Sustainable water system	43%
Low-flow showers/toilets	36%
Organic restaurants/food options	31%
Recycling baskets in room	29%

TOURISM LINKS WITH THE SUSTAINABLE DEVELOPMENT GOALS (SDGS): PUBLIC POLICY AND BUSINESS CORPORATE SOCIAL RESPONISBILITY ACTIONS (World Tourism Organization, United Nations Development Programme, 2017)

Public policy	Companies and CSR actions
SDG 1 – End poverty in all its forms everywhere Tourism provides income through job creation at local and community levels. It can be linked with national poverty reduction strategies and entrepreneurship. Low skills requirement and local recruitment can empower less favoured groups, particularly youth and women.	On-going staff training; Partnerships for education; Diversity management; Complementary benefits; In-kind donations for education, Poverty and human rights; Responsible investment and local recruitment; Local purchases and fair-trade
SDG 2 – End hunger, achieve food security and nutrition, promote sustainable agriculture Tourism can spur sustainable agricultural by promoting the production and supplies to hotels, and sales of local products to tourists. Agro-tourism can generate additional income while enhancing the value of the tourism experience.	Local and green purchase (food/agriculture); Local supplies and fair trade; Host community involvement; Wildlife and ecosystem protection; Offsetting actions
SDG 3 – Ensure healthy lives and promote well-being for all at all ages Tax income generated from tourism can be reinvested in health care and services, improving maternal health, reduce child mortality and preventing diseases. Visitors fees collected in protected areas can as well contribute to health services.	Health prevention programs; Fight against sex tourism, health and disasters awareness and donations; Customer security and health – prevention and facilities
SDG 4 – Ensure inclusive and equitable quality education and promote lifelong learning for all Tourism has the potential to promote inclusiveness. A skilful workforce is crucial for tourism to prosper. The tourism sector provides opportunities for direct and indirect jobs for youth, women, and those with special needs, who should benefit through educational means.	Professional development and training; Partnerships for education; Diversity management; Education for culture and heritage; In-kind donations for education; On-going staff training, information, facilities; Host community involvement
SDG 5 – Achieve gender equality and empower all women and girls Tourism can empower women, particularly through the provision of direct jobs and income-generation from MMEs in tourism and hospitality related enterprises. Tourism can be a tool for women to become fully engaged and lead in every aspect of society.	Diversity management; Awareness campaigns and in-kind donations towards fight against sex tourism and human rights; Non-discrimination values in staff recruitment and training
SDG 6 - Ensure availability and sustainable management of water and sanitation for all Tourism investment requirement for providing utilities can play a critical role in achieving water access and security, as well as hygiene and sanitation for all. The efficient use of water in tourism, pollution control and technology efficiency can be key to safeguarding our most precious resource.	New equipment and technologies; Prevention programs for security and health; Standards and certifications; Community involvement
SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all As a sector, which is energy intensive, tourism can accelerate the shift towards increased renewable energy shares in the global energy mix. By promoting investments in clean energy sources, tourism can help to reduce green house gases, mitigate climate change and contribute to access of energy for all.	New equipment and technologies; Prevention programs for security and health; Standards and certifications; Community involvement
SDG 8 – Promote sustained, inclusive and sustainable economic growth, employment and decent work for all Tourism, as services trade, is one of the top four export earners globally, currently providing one in ten jobs worldwide. Decent work opportunities in tourism, particularly for youth and women, and policies that favour better diversification through tourism value chains can enhance tourism positive socio-economic impacts.	Training for professional development; Diversity management and local recruitment; Performance incentives-complementary benefits; Responsible investment and local purchases; Community involvement
SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation Tourism development relies on good public and private infrastructure. The sector can influence public policy for infrastructure upgrade and retrofit, making them more sustainable, innovative and resource-efficient and moving towards low carbon growth, thus attracting tourists and other sources of foreign investment.	Eco-design; New equipment and technologies in energy and water resources; Renewable energies; Equipment and materials for recycling and waste; On-going staff training

Public policy		Companies and CSR actions

SDG 10 – Reduce inequality within and among countries

Tourism can be a powerful tool for reducing inequalities if it engages local populations and all key stakeholders in its development. Tourism can contribute to urban renewal and rural development by giving people the opportunity to prosper in their place of origin. Tourism is an effective means for economic integration and diversification.

Diversity management; Local enterprise investment; Responsible purchases; Non-discrimination values in staff recruitment and training; Community involvement

SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable

Tourism can advance urban infrastructure and accessibility, promote regeneration and preserve cultural and natural heritage, assets on which tourism depends. Investment in green infrastructure (more efficient transport, reduced air pollution) should result in smarter and greener cities for, not only residents but also tourists.

Certifications; Partnerships; Awareness campaigns, in-kind donations for culture and heritage sites; Host community involvement; Clean energy; Resource efficiency; Biodiversity conservation initiatives

SDG 12 – Ensure sustainable consumption and production patterns

The tourism sector needs to adopt sustainable consumption and production (SCP) modes, accelerating the shift towards sustainability. Tools to monitor sustainable development impacts for tourism including for energy, water, waste, biodiversity and job creation will result in enhanced economic, social and environmental outcomes.

Efficiency technologies for energy and water; Renewable energies; Recycling – waste treatment; Pollution reduction; Local purchase and enterprises; Local supplier; Community involvement; Responsible investment; Guest involvement

SDG 13 – Take urgent action to combat climate change and its impacts

Tourism contributes to and is affected by climate change. Tourism stakeholders should play a leading role in the global response to climate change. By reducing its carbon footprint, in the transport and accommodation sector, tourism can benefit from low carbon growth and help tackle one of the most pressing challenges of our time.

Eco-design; New equipment and technologies; Renewable energies; Recycling and waste; Wildlife and ecosystems – landscape protection; Pollution reduction; Offsetting actions; Awareness campaign and in-kind donations for disasters

SDG 14 – Conserve and sustainably use the oceans, seas and marine resources for sustainable development

Coastal and maritime tourism rely on healthy marine ecosystems. Tourism development must be a part of Integrated Coastal Zone Management in order to help conserve and preserve fragile marine ecosystems and serve as a vehicle to promote a blue economy, contributing to the sustainable use of marine resources.

Wildlife and ecosystems animal protection; Pollution reduction; Waste treatment; Offsetting actions; Green purchases; Information for customers and staff; Community involvement

SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems and halt biodiversity loss

Rich biodiversity and natural heritage are often the main reasons why tourists visit a destination. Tourism can play a major role if sustainably managed in fragile zones, not only in conserving and preserving biodiversity, but also in generating revenue as an alternative livelihood to local communities.

Wildlife and ecosystems animal protection; Pollution reduction; Waste treatment; Offsetting actions; Green purchases; Information for customers and staff; Community involvement

SDG 16 – Promote peaceful and inclusive societies, provide access to justice for all and build inclusive institutions

As tourism revolves around billions of encounters between people of diverse cultural backgrounds, the sector can foster multicultural and inter-faith tolerance and understanding, laying the foundation for more peaceful societies. Tourism, which benefits and engages local communities, can also consolidate peace in post-conflict societies.

Human rights awareness; In-kind donations; Local enterprises – responsible Investment; Local recruitment and purchases; Diversity and respect policy; Anti-corruption money laundering; Client relationships; Host community involvement

SDG 17 – Strengthen the means of implementation and revitalize the global partnership for sustainable development

Due to its cross-sectoral nature, tourism has the ability to strengthen private/public partnerships and engage multiple stakeholders – international, national, regional and local – to work together to achieve the SDGs and other common goals. Public policy and innovative financing are at the core for achieving the 2030 Agenda.

Professional development; Partnerships for education; Wildlife and ecosystems animal protection; Offsetting actions; Supplier and Customer involvement; Client relationships; Staff involvement and relationships; Community involvement

INTREPID`S ACKNOWLEDGMENT OF STAKEHOLDER INTERESTS IN PUBLICATIONS

	Stakeholder interest		Statements
	Customer wellbeing		"(…) we're continuing to evolve our customer-centric approach to incorporate touch points across the entire customer journey to ensure we're delivering the best customer experience ever." (Intrepid, 2018b, p. 37)
	Crisis management		"On trip safety: (…) risks to safety for both customers and employees. Major Global Incident: (…) Intrepid Group and its passengers are exposed to the inherent risk of domestic and/ or international incidents affecting some of the countries that we operate in, including terrorism and natural disasters." (Intrepid, 2018b, p. 74) "Incident Management Plan PEAK DMC and our other brands rely on its integrated Incident Management Plan to respond to any incidents, including natural disasters, crime and terrorism, accidental injury and passenger health concerns. The IMP ensures the best possible response and care when unexpected incidents occur." (Intrepid, 2018b, p. 77)
	Resource efficiency, sustainable procurement		"Our Statement on Modern Slavery outlines the steps we're taking to prevent human rights issues from occurring in our supply chain." (Intrepid, 2018b, p. 4) As a vertically integrated business, our in-country offices (…), operate the majority of our tour itineraries. This enables us to manage our own operations and have greater oversight of the supply chain as well as identify and mitigate risk areas of modern slavery and trafficking within the business. (Intrepid, 2018b, p. 52)
	Local value creation		"Intrepid Group is committed to creating shared value for all our stakeholders through sustainable, experience-rich travel." (Intrepid, 2018b, p.21)
	Child protection		"The Intrepid Group actively supports best practice in child protection and works to ensure that children and their families are protected from harm." (Intrepid, 2018b, p. 51)
	Fair business conduct		"Prevention of Bribery & Corruption Intrepid Group is committed to carrying on business fairly, openly and honestly. We inherently

		oppose bribery and corruption." (Intrepid, 2018b, p. 77)
Animal welfare		**"***Animal Welfare Guidelines: We actively discourage the participation of Intrepid Group passengers in activities that exploit animals, whether they be wild, domestic or working.***"** (Intrepid, 2018b, p. 76)
Forced labour		Global Human Rights Policy: (…) our commitment to protect human rights within our sphere of influence and ensure that all our people - including our staff, passengers, suppliers and local communities, as well as other stakeholders who are impacted by our business - are treated with fairness and respect (Intrepid, 2018b, p.77)
Creating more sustainable holiday & engaging customers		"We invest in innovative products and leader training to deliver exciting experiences to our customers (…) "Happy customers who become ambassadors for our brands and our business" (Intrepid, 2018b, p. 22)
Colleague working environment		"Our increased focus on diversity and inclusion resulted in a 2% shift in the gender diversity of employees and tour leaders for the Intrepid Group." (Intrepid, 2018b, p. 40) "(…) we will continue to focus on embedding purpose and capability across the organisation. (…) The development and delivery of a complete diversity and inclusion strategy, the implementation of parental and carer support guidelines as well as an increased emphasis on developing and retaining our world-class talent through further development programs, engagement in our online learning platform and mobility guidelines. (Intrepid, 2018b, p. 44)
Emissions & Pollution		"We measure and offset the main sources of passenger emissions created on our trips from transport, accommodation and waste by our passengers. When it comes to our offices, we measure emissions from electricity, gas, waste, business travel and water" (Intrepid, 2018b, p. 56) "Leading Intrepid's climate management program, the company realised its goal of becoming carbon neutral in 2010." (Intrepid, 2018b, p. 68)

STAKEHOLDER INTERESTS OF INTREPID GROUP (based on Intrepid, 2018b & personal input)

Employees	Economic Interests	Local value creation
	Social Interests	Forced labour Colleague working environment
	Environmental Interests	
Customers	Economic Interests	Crisis management Customer wellbeing Resource efficiency & Sustainable procurement
	Social Interests	Forced labour Creating more sustainable holidays & engaging customers
	Environmental Interests	Emissions& Pollution Animal welfare & biodiversity
Supply chain partners	Economic Interests	Resource efficiency & Sustainable procurement Fair business conduct
	Social Interests	Local value creation Forced labour
	Environmental Interests	
Travel agent partners	Economic Interests	Resource efficiency& Sustainable procurement Fair business conduct
	Social Interests	Creating more sustainable holidays & engaging customers Colleague working environment
	Environmental Interests	
Regulators & governmental bodies	Economic Interests	Customer wellbeing Crisis management Fair business conduct
	Social Interests	Child protection Forced labour Local value creation
	Environmental Interests	Emissions& Pollution Animal welfare & biodiversity

Intrepid Group	Economic Interests	Resource efficiency& Sustainable procurement Local value creation Customer wellbeing Crisis management
	Social Interests	Child protection Forced labour Creating more sustainable holidays & engaging customers Fair business conduct Colleague working environment
	Environmental Interests	Emissions& Pollution Animal welfare & biodiversity

MATERIALITY ASSESSMENT

Interests	Employees	Customers	Supply Chain Partners	Travel Agent Partners	Regulators & Governmental bodies	Average stakeholder	Intrepid Group
Local value creation	2,3	2	2	1,8	3	**2,22**	**2,5**
Child protection	2	2,5	2	2	2,8	**2,26**	**2**
Forced labour	2,5	2,5	2	2	2,8	**2,36**	**1,8**
Emissions & Pollution	1	2,5	1	2,5	2,3	**1,86**	**2,3**
Animal welfare & biodiversity	1	2,5	1	1,8	2,3	**1,72**	**1,9**
Colleague working environment	3	1	1	2	1	**1,6**	**2,3**
Creating more sustainable holidays& engaging customers	1	3	1	3	2	**2**	**2,5**
Fair business conduct	2,5	2	3	3	3	**2,7**	**2,5**
Customer wellbeing	1,8	3	2	2,5	2,5	**2,36**	**2,3**
Crisis management	3	2,8	2	3	3	**2,76**	**1,8**

Resource efficiency & sustainable procurement	1	1	3	2,3	2	**1,86**	**2,3**

0-1= low interest; 1-2= medium interest; 2-3= high interest

*the assessment is based on the emphasis given in the publications of Intrepid and on general assumptions about the stakeholder´s interest by the author. Highest levels of interests have been assigned to interests which are included in the business idea or specifically mentioned in the company´s policies. Guidelines have been assessed with a little lower score as their effectiveness is not as significant as the ones of policies.

TUI CARE FOUNDATION; COMMITMENT BY 2020 (TUI Group, 2017a)

CARING FOR A BETTER WORLD

FIELDS OF ENGAGEMENT	AMBITIONS BY 2020	PROGRAMMES	OBJECTIVES
EMPOWERING YOUNG PEOPLE	We will improve the life chances of over 100,000 children and youth by 2020	TUI ACADEMY creates opportunities with education and vocational training.	We will empower 10,000 careers through TUI ACADEMY
		TUI CHANCES enriches children's lives in local schooling and education projects.	We will give 100,000 children better opportunities in life through TUI CHANCES
		TUI FUTURE FUND focuses on emergency relief for children and young people in need when disasters strike in destinations.	We will reach out to children and youth in disaster situations through TUI FUTURE FUND
PROTECTING THE NATURAL ENVIRONMENT	We will protect the welfare of over 1m. animals and participate in projects to save resources	TUI TURTLE AID Protecting turtles in destinations all over the world.	We will protect 1 million turtles through TUI TURTLE AID
		TUI ELEPHANT AID Safeguarding elephant populations in Africa and Asia by building an elephant friendly future.	We will protect 15,000 elephants via TUI ELEPHANT AID
		TUI CLEAN & GREEN focuses on sustainable management of natural resources.	We will lead the way with resource initiatives in the field of waste, water and energy via TUI CLEAN & GREEN
THRIVING DESTINATIONS	We will help enhance 10,000 local livelihoods in destinations through tourism.	TUI CARES ensures that local communities benefit from tourism. It opens up opportunities for entrepreneurs in destinations and helps local communities to create unique cultural experiences for holidaymakers.	We will drive local sourcing, create cultural experiences for holidaymakers and enhance entrepreneurship opportunities in holiday destinations via TUI CARES