

The background of the slide features a photograph of three women in traditional Indian attire, including bright orange and red saris. They are walking past a yellow wall with a wooden door, each balancing a large, shallow, light-colored earthenware pot on their head. The scene is brightly lit, suggesting daylight.

Intrepid Travel's Communication on Progress

Of

United Nations Global
Compact principles

Updated for 2011

real life experiences...

Fun, affordable & sustainable travel since 1989



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A Statement from the Co-founders



Intrepid Travel Pty Ltd signed up to the United Nations Global Compact on 16 December 2008 and continues to support the principles outlined in the Global Compact with respect to human rights, labour, environment and anti-corruption.

Since becoming a signatory, Intrepid have been working on integrating the Global Compact principles into the strategy, culture and day-to-day operations of our company.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. In order to fulfil this requirement and support public accountability and transparency, we have produced this Communication on Progress Report.

We are preparing the company for the production of our first GRI compliant Sustainability Report that will further detail our progress on addressing the Global Compact principles in future. However, for our second Communication on Progress Report, we've decided to build on our previous report and provide an update on the initiatives we've rolled out and the steps we've taken since our last submission in 2010.

Since the last Communication on Progress, Intrepid Travel formed a strategic venture with TUI Travel PLC to create a global leader in adventure travel, PEAK Adventure Travel Group. Although the Intrepid Travel brand remains largely unchanged, we have inherited many sister companies that will offer our agents and customers unrivalled experiences, adventure products and destinations.

The formation of this strategic venture has adjusted our reporting timeframes from an Australian fiscal year of July to June, to an October to September financial year. Going forward, Intrepid Travel will be submitting our report in December to better coincide with our new financial year.

We look forward to deepening our commitment to the principles of the United Nations Global Compact and further embedding them across our business operations.

A black ink signature consisting of several loops and a long horizontal stroke at the end.

Darrell Wade

Co-founder

A black ink signature that appears to read 'G. Manchester' with a stylized flourish at the end.

Geoff Manchester

Managing Director & Co-founder

Our Approach to Sustainable Development

1.0 Definition of Sustainable development

Intrepid adopts the definition created in 1987 at the World Commission on Environment and Development (Brundtland Commission) for Sustainable Development: **'development that meets the needs of the present without compromising the ability of future generations to meet their own needs.'**

We see Intrepid Travel working toward sustainable development by incorporating environmental, social, economic and ethical considerations in our business practices and in our decision making processes.

2.0 What's sustainable development got to do with Intrepid?

Intrepid recognises that tourism impacts local communities and the environment and we believe that all tour operators must be responsible in the way they operate their business to ensure the welfare of people and conservation of the environment.

We recognise the need for sustainable tourism and we believe in the principles of responsible travel; respecting the people, cultures and local environments; in the distribution of wealth; in good will and cross-cultural sharing and in balanced development.

Although our company impact is largely indirect and through our travel products, we acknowledge that our direct business operations (our offices and retail stores) also have an impact on the environment, people and local communities where we are located.

Given that we have an understanding of the responsibilities we have as a business, we are committed to maintaining our integrity, living out our values and ensuring that we are fulfilling the purpose of our business by operating in a responsible manner. We are committed to incorporating the principles of

sustainable development (outlined in this document) in the way we go about giving Intrepid travellers 'real life experiences...'

3.0 How do we tie it all together?

Intrepid has been built on the principles of Responsible Travel, so the principles of sustainability are not a foreign concept to our business.

Sustainability is in our company's DNA:

3.1 Our Core Values

- **We act with integrity**
- **We are passionate about what we do**
- **We encourage personal growth**
- **We have fun**
- **We are creative and innovative**
- **We believe in sustainability and responsible tourism**

3.2 Our Core Purpose

Intrepids core purpose is to enrich people's lives by creating unique, interactive travel experiences. We provide **fun, affordable** and **sustainable travel** that is **profitable** for Intrepid and **beneficial** to local communities.

3.3 Our BHAG (Big Hairy Audacious Goal)

To be the world's most inspiring and innovative travel company.

3.4 Our Strategy

How are we going to work toward our goal, fulfil our purpose while living out our values?

Position

To focus on the “experiential” segment of the travel industry.

How

- By supplying a diverse range of remarkable products;
- By distributing these products broadly;
- By developing Intrepid as a strong global brand;
- By growing our resources of exceptional staff and developing best practice systems;
- By developing a vertically integrated business model

Our strategy is being executed with consideration to our environmental, social, economic impacts and objectives.

4.0 So what are our sustainability objectives?

In order to embed sustainability into our operations, we feel it's important to take an holistic view of our business and its impacts. This means looking beyond the health of our balance sheet and to the areas of which our business is intrinsically linked; the environment, society, economy and governance/ethics. We want to ensure that we are taking responsibility for our impacts in these areas and contributing to, rather than diminishing, their health and value through operation of our business.

It is for these reasons, Intrepid decided to join other businesses and organisations in over 130 countries to tackle global sustainability issues and become a signatory to the United Nations Global Compact.

4.1 United Nation Global Compact

The Global Compact is a framework used to align a company's operations and strategies with ten universally accepted principles in the areas of Human Rights, Labour, Environment and Anti-corruption;

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Since signing the United Nations Global Compact, Intrepid has gone on to create a Sustainable Development Policy which guides the way the company manages its impacts and how it goes about making decisions.

4.2 Sustainable Development Policy

This policy sees Intrepid working toward its sustainability objectives under each area to ensure the longevity of our business.

The next section of the Report will outline Intrepid's responsibility under each area (as stated in our Sustainable Development Policy), examples of policies we have to help us manage these responsibilities and some of the actions taken to address these responsibilities. All outcomes of these actions and commitments will be reported in our upcoming sustainability report.

4.2.1 ENVIRONMENT

Our Environmental Responsibility

To ensure we are working toward protecting the environment and using resources in an efficient, fair and responsible way. We want to ensure that our trips are designed in a way that limits the physical impact on the destinations we visit so that they may be enjoyed by many generations to come

Example of policies and guidelines addressing environmental impact at Intrepid

- Sustainable Development Policy
- Responsible Travel Policy and Code of Conduct
- Responsible Travel guidelines for passengers
- Carbon Management Plan
- Purchasing Policy

Examples of environmental actions

Corporate/ Office: Intrepid travel adopts the following principles to manage our environmental footprint of our offices and stores globally;

- **Measure** eg. measure emissions from electricity, gas, waste, business travel, etc.
- **Avoid** eg. Avoid emissions by adopting energy efficiency measures such as automatic computer shut off at 8pm for head office staff, skype conferencing rather than travelling for face to face meetings

- **Reduce** eg. reducing number of business trips we take, reducing paper we use and waste to land fill we generate
- **Offset** whatever we can't avoid we offset by investing in high quality renewable energy projects

Trips: a majority of Intrepid Travels trips are Carbon Offset (that's almost 500 trips!). We measure and offset the main sources of the emissions created on our trips by our passengers:

- Transport
- Accommodation
- Waste



Our trips are also low impact by design. How? We try to use public transport where possible, stay in locally owned and simpler styles of accommodation and eat at locally owned eateries where the food has been locally sourced therefore reducing food mile emissions.

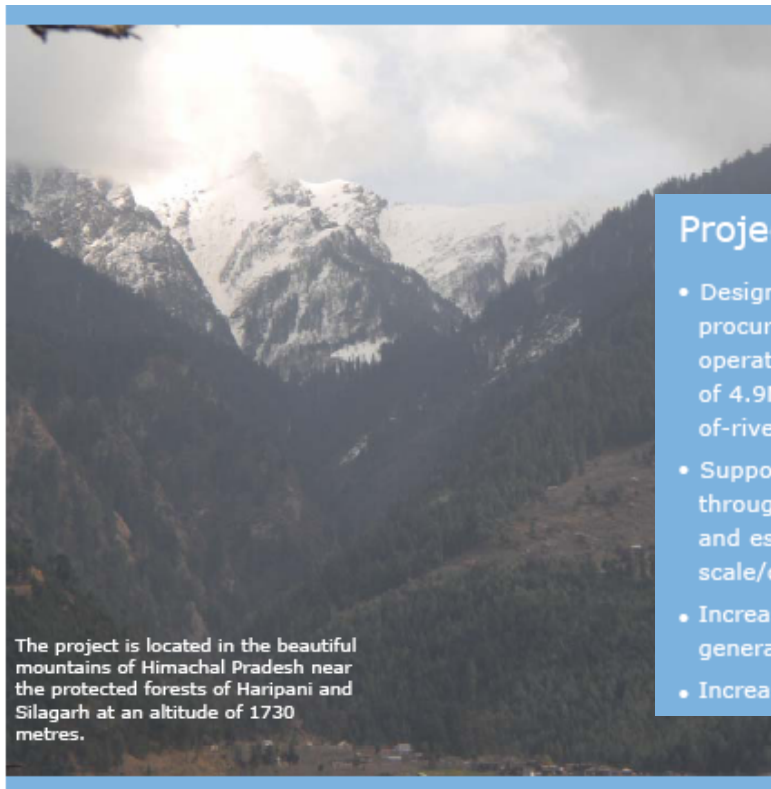
Flights: we offer customers an opportunity to offset the most carbon intensive portion of their trip – their flight. When customers book their flight through Intrepid, we offer an offset component to their airfare.



Renewable Energy Project investments.

Intrepid Travel currently offsets our carbon by investing in internationally accredited Voluntary Carbon Standard (VCS) compliant projects that are based in our biggest destinations;

- **Bargaran Mini Hydro project, INDIA**

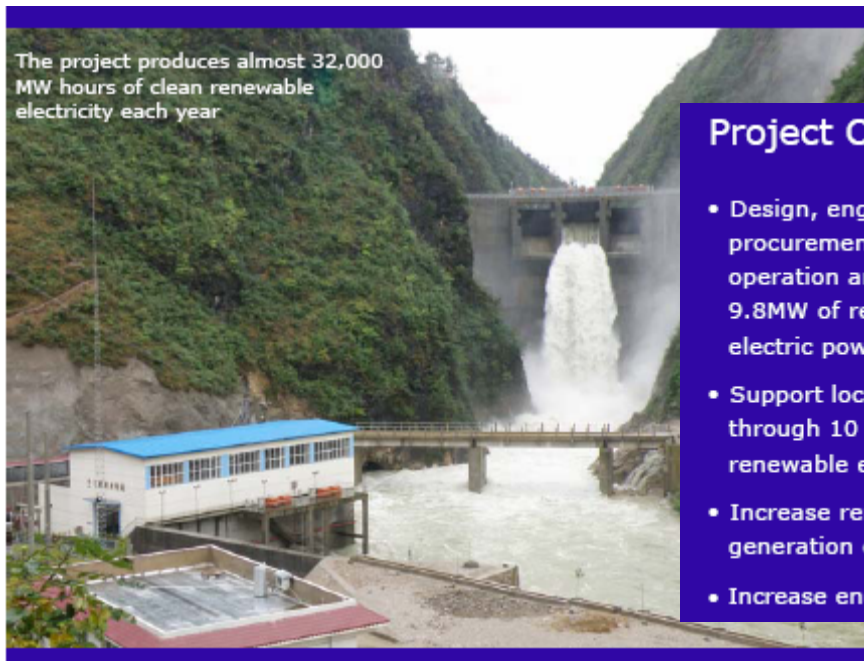


The project is located in the beautiful mountains of Himachal Pradesh near the protected forests of Haripani and Silagarh at an altitude of 1730 metres.

Project Objectives:

- Design, engineering, procurement, construction, operation and maintenance of 4.9MW of renewable run-of-river hydro electric power
- Support local community through new job creation and establishing small scale/cottage industries
- Increase renewable energy generation capacity
- Increase energy availability

- **Macahoe Hydro project, CHINA**



The project produces almost 32,000 MW hours of clean renewable electricity each year

Project Objectives:

- Design, engineering, procurement, construction, operation and maintenance of 9.8MW of renewable hydro electric power
- Support local community through 10 new jobs in the renewable energy sector
- Increase renewable energy generation capacity
- Increase energy availability

- **Rice Husk Biomass project, THAILAND**

Approximately 85,000 tonnes of rice husk is used to generate 65,700 MW hours of renewable electricity each year

Project Objectives:

- Design, engineering, procurement, construction, operation and maintenance of 9.9MW of renewable biomass energy
- Reduce air borne pollutants from fossil fuel based energy production
- Support local community through education and free provision of ash fertiliser
- Demonstrate clean technology

2011 Update: Addressing Environmental Impact



Intrepid travel achieved Carbon Neutral status in late 2010.

The three-year process we undertook to become carbon-neutral was the result of careful planning and execution which led to significant monetary contributions (over \$970,000 AUD across the 3 years) on behalf of our sector, travellers,

suppliers and staff to 7 different internationally certified carbon abatement projects. This in turn, contributed to;

- the development of local communities through infrastructure development around the carbon abatement projects
- improvement of the environment of the local communities by providing an alternative to fossil fuels and therefore produce less pollution
- generation of employment for locals
- increased energy availability and accessibility to communities and therefore improving quality of life

We added two other projects to our three illustrated above in early 2011;

- **Biomass Project (BRAZIL)** - the project addresses the significant deforestation problem in Brazil, saving 24,000 tonnes of native wood simply by swapping wood for renewable biomass alternatives such as peanut shells and sawdust to fire the ceramic plants across the country.
- **Hydro project (VIETNAM)** is a hydro projects that will also construct a new 3km road, adding to infrastructure for the locals and directly supplying the clean electricity to 50 households living nearby the project. The project also devotes part of its revenue to a local poverty reduction program.

The Carbon Management program continues to create awareness of the importance of addressing Climate Change among our stakeholders including staff, passengers and suppliers by engaging them in addressing the issue through the Intrepid business.

4.2.2 SOCIAL

Our Social Responsibility

To protect human rights within our sphere of influence and ensure that all our people including our staff, travellers, suppliers and local communities as well as other stakeholders who are impacted by our business, are treated with fairness and respect.

We endeavour to engage our stakeholders on issues around responsible practices in order to promote justice and equity across our global community and protect our most vulnerable societies.

Example of Policies addressing our Social Responsibility

- Sustainable Development Policy
- Responsible Travel Policy and Passenger Code of Conduct
- Responsible Travel guidelines for passengers
- Purchasing Policy
- Porter policy

Examples of actions

- Provide support for many grass root organisations globally to help advance local communities through The Intrepid Foundation. Our projects can be found on <http://www.theintrepidfoundation.org/>
- All Intrepid companies have specific annual goals to increase annual donations to the Intrepid Foundation
- Visit community projects tackling social issues on trips to raise awareness and engage passenger support for the projects
- We provide training to all our leaders on safety and social issues in the areas they operate. This helps them educate our passengers on issues such as cultural etiquette, prostitution and child safety
- Provide HIV/AIDS training to our staff and leaders in high risk regions
- Work in partnership with ECPAT (ChildWise and ChildSafe Asia) to stamp out child exploitation in the areas we travel
- Organise guest speakers to regularly speak at our Australian stores to help raise awareness on various social sustainability topics

2011 Update: Addressing Social Impact

Creation of Human Rights policy

Intrepid Travel have worked determinedly to create our own Human Rights policy. The policy extends to all companies within the Intrepid Group.

The aim of the policy is to:

- formalise our commitment outlined in our Global Sustainable Development Policy commit our support to the principles contained within the Universal Declaration of Human Rights
- give guidance to our staff on Intrepid's stance in relation to human rights issues
- protect, respect and remedy human rights within our sphere of operations and supply chain as outlined in the United Nations Guiding Principles on Business and Human Rights: The "Protect, Respect and Remedy" Framework
- assist in the monitoring of our management of human rights issues within our business

This policy was formally adopted in September 2011. To ensure that we are addressing Human Rights issues across our sphere of influence, we aim to take the following actions including;

- training all Intrepid staff
- creating Human Rights material to be made available for our passengers and potential customers
- include Human Rights clauses in our agreements with our suppliers.

Intrepid have also joined the Human Rights Working Group of our Local Network of the Global Compact signatories in Australia to progress our work in this area.

The Intrepid Foundation

The Intrepid Foundation raised \$394,601.54 (including a record \$323,613 for Community Projects) between July 2010 - June 2011. The total amount represents contributions received from Intrepid travellers, staff and matching funds contributed by Intrepid Travel.

The funds are distributed between;

Community Projects	<p>On average approximately 80% of our funds raised through the Foundation go to support non-government organisations in the places Intrepid visits. We support projects working in the areas of healthcare, education, human rights, child welfare, sustainable development and in environmental and wildlife protection. In the 2011 financial year, we raised funds for 40 community projects. See below for examples.</p>
Perpetual Fund Partners	<p>Donations made to this fund are divided in half. One half is used to conserve and grow capital for the future support of the Foundation and the other half goes toward supporting the work of respected international non-government organisations such as Amnesty International, Medecines Sans Frontiers, Plan and Greenpeace.</p>
One-Off Grant Submissions	<p>The Foundation often approves one off grants (rather than on-going support) to different initiatives looking to support environmental or social causes. In the 2011 financial year, a grant went to Forest Restoration Research Unit at Chang Mai University in Thailand. The funds were to be used to plant 1,000 trees in the Doi Suthep National Park</p>
Emergency Appeal Contributions	<p>These funds go organisations who are assisting in emergency relief from natural disasters. Over the last year, The Foundation supported;</p> <ul style="list-style-type: none">• Queensland Premiers Disaster Relief Appeal and the Red Cross Victorian Floods appeal to help those impacted during the floods• Japan Earthquake for the purchase of 200 Mandarin solar lamps for the residents affected by the quake• New Zealand Red Cross Christchurch Earthquake Appeal

Some of our Community Projects and Perpetual fund partners:

Education Providing after school tutoring and support to disadvantaged children through Mavi Kalem in Turkey, offering services to young people with learning disabilities through Beijing Hui Ling and Xi'an Hui Ling in China and the education of blind children in Tibet through Braille Without Borders.

Women Supporting the work of The Alola Foundation in Timor-Leste, working to promote women's rights and improve their health, education, community participation and economic development.

Wildlife Welfare Support for TRAFFIC and their work to stop the illegal wildlife trade in Indochina, for the World Society for the Protection of Animals (WSPA) & their animal friendly travel campaigning and Animal Care in Egypt, rehabilitating injured animals and educating the local people in appropriate animal care.

Child Protection Working with Deepalaya who support and educate underprivileged children in India, Lotus Children's Centre housing homeless and orphaned children in Mongolia and Amani Children's Home who provide a home, health care and education to Northern Tanzania's street children.

Health Projects include support for Medicins Sans Frontieres and their health care programs with refugees in Thailand; for the Fred Hollows Foundation and their eye health care work in Cambodia and for nutrition programs in the Sacred Valley of Peru, through Living Heart.

Poverty Supporting the Starfish Project, and their provision of assistance to Cambodians who are stranded outside the bounds of assistance from the government or large NGO's. In Russia we help support the many homeless people through Nochlezhka and particularly their 'Night Bus' meal program.

Child Protection We have been long term supporters of ChildWise (known as ECPAT internationally) and their work towards the prevention of child sexual exploitation and trafficking.

Environment Support for The Angkor Centre for Conservation of Biodiversity (ACCB), focussing on wildlife conservation and environmental education activities such as their 'Eco-Clubs' for Cambodian youth; and the Charles Darwin Foundation's work in the Galapagos Islands in Ecuador, helping to restore the habitat of the islands, so that some of the endangered wildlife can breed and flourish.

Human Rights Support for the community awareness programs of UXO LAO, who work to reduce the number of casualties from unexploded ordinance (uxo) and to increase the land available for food production by clearing mines; and also for KEEP (Kathmandu Environmental Education Project) and their Porters Clothing Bank, equipping porters in Nepal with suitable clothing and equipment to help protect them from the elements.

4.4.3 ECONOMIC

Our Economic Responsibility

To ensure our wealth is distributed in a way that is that is beneficial to our staff, host communities, suppliers, other key stakeholders while achieving responsible and sustainable growth of Intrepid and our associated companies.

Example of Policies addressing our Economic Responsibility

- Sustainable Development Policy
- Responsible Travel Policy and Code of Conduct
- Responsible Travel guidelines for passengers
- Purchasing Policy
- Risk Management Policy
- Global Remuneration Process

Examples of actions that address our Economic Responsibility

Our trips are designed to ensure that we support the local communities by;

- Hiring local leaders and staff where Intrepid operate, therefore contributing directly to local employment and ensuring competitive local remuneration
- Using locally owned ground transportation and accommodation
- Recommending local eateries and stores to our passengers
- Incorporating local public transport on our trips where possible
- Investing in renewable energy projects that support the local economy through temporary and permanent employment as well as building on the communities infrastructure.

2011 Update: Addressing Economic Impact

In October 2010, Intrepid Travel formed a partnership with Rainforest Alliance in Peru. Over the last 12 months, Rainforest Alliance has conducted training sessions with our local suppliers, including hotels on how to operate their businesses in a more sustainable manner that aim to benefit the environment, local communities and their business.

4.4.4 GOVERNANCE AND ETHICS

Our Governance & Ethical Responsibility

To live out our core values, achieve our purpose and work toward our Big Hairy Audacious (BHAG) goal by being accountable for the impacts that we have on our planet and also have effective systems and good governance in place to help us understand and manage these impacts. We endeavour to implement best practices in everything we do and fight corruption in all its forms.

Example of Policies addressing our Governance and Ethical Responsibility

- Sustainable Development Policy
- Responsible Travel Policy
- Risk Management Policy
- Intrepid Board guidelines
- Leader Code of Conduct
- Performance Management Policy

Examples of actions that address our Governance and Ethical Responsibility

- Intrepid Travel is independently audited on an annual basis
- Currently designing a global anti corruption and anti fraud policy
- Currently revising internal fraud controls to ensure we have best practice in place
- Risk Management workshops

2011 Update: Addressing Governance & Ethical Impact

Anti Corruption Policy

Intrepid have been working tirelessly to formalise our commitment to stamping out corruption within our own operations as well as in our dealings externally. We have consulted many staff members from across the business in the past year, as well as our General Managers from our on ground Destination Management

Companies globally to form a Draft Policy that we are working to finalise before the end of 2011.

The policy will aim to address the different forms of corruption;

- **Bribery** including
 - Political, charitable contributions and sponsorships
 - Facilitations payments
 - Gifts and hospitality
- **Fraud** and
- **Favouritism**

Intrepid will work to ensure that we have adequate controls in place to make certain that we are adhering to this upcoming policy. Progress on our anti-corruption strategy will be communicated in subsequent reporting.

Ethical Network membership



Intrepid Travel has also joined Ethical Tour Operators Group (operated by Tourism Concern) in the UK where we join our colleagues in understanding our impacts on the destinations we visit and looking at ways we can address sustainability issues together.

5.0 Stakeholders

Intrepid sees a stakeholder as any party who can affect or be affected by our company's operations. We believe that it's important to listen, understand and respond to the views of our stakeholders and exceed their expectations of our business.

Our stakeholders include (but are not limited to):

- Intrepidites (our staff)
- Our travellers
- Our associated companies
- Joint venture partners
- Suppliers
- Contractors
- Travel Industry associations
- Local communities
- Government bodies in destinations visited by Intrepid
- Media
- NGO's
- National Tourism Offices

2011 Update: Stakeholder Engagement

Engaging our Stakeholders

We conducted a survey through our e-newsletter: Intrepid Express where we asked readers to give their feedback in relation to what they would like to see us putting into our future sustainability reports.

In total, 886 people completed the survey. Participants were mainly those who have travelled with us or those who were interesting in travelling with us.

Key findings:

- 89 % believe that Intrepid should be reporting on our performance of sustainability policies and commitments
- More than 80% of the participants think that it is important that we obtain an independent audit on our sustainability report

- Snapshot of topics that respondents thought Intrepid 'must' report on;
 - Environment
 - Human Rights
 - Child Labour & forced/compulsory labour
 - Responsible Travel
 - Animal Welfare

We have taken this feedback on board in shaping our sustainability reporting.

Building a Responsible Culture

At Intrepid, we're genuine about engaging in responsible, sustainable operations and management at all levels.

We've integrated respect for people and environment into our company culture in a variety of ways, most notably through the company's core values. Staff are also rated on their competency on being able to promote sustainable development as well as their efforts in contributing to environmental and social sustainability in their annual Performance Reviews.

Other smaller initiatives to engage staff include a global office competition for the smallest environmental footprint; annual sustainability awards for staff, incentives for staff to offset client flights.

We've also integrated our commitment to sustainable development into our website, newsletter, facebook communications, trip notes for passengers and instructions for tour leaders.

All these little initiatives help to build a culture around respecting people and environment and working toward its preservation.

6.0 Communication

We intend to communicate our sustainability performance to our stakeholders through a number of different methods;

- Annual Sustainability Report
- Intrepidnet (our Intranet accessible to staff)
- Our website
- Intrepid Express newsletters as well as internal newsletters such as the management updates as well as OneIntrepid newsletter

Intrepid will invite our stakeholders to comment/feedback/respond to this communication.

Sustainability Reporting

We are working toward addressing sustainability issues and the principles of the United Nations Global Compact. Our progress will be reported annually through the publication of our upcoming Sustainability Report. To enable this, we are currently preparing our internal systems to be able to provide accurate information and data on our sustainability performance. Stay tuned!

Update 2011

We have been diligently working on getting the company prepared for Sustainability reporting. We have decided to release our first trial sustainability report internally in 2011. We have chosen to do this in order to refine scope and boundaries, systems and processes before releasing it into the public space. The intention remains to have future reports released publicly.

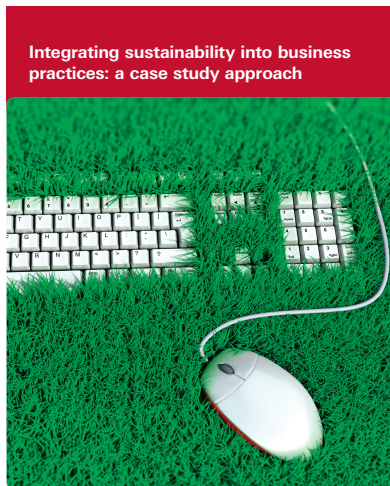
Update 2011: Other

7.0 Awards and Recognition

Intrepid Travel was honoured to receive the following awards and recognition in 2011 for our responsible business approach and our environmental management;

- Winner 2011 : **World Travel and Tourism Council**: Tourism for Tomorrow Awards - Global Tourism Business
- Winner 2011: **Australian Business Awards** for Environmental Sustainability

- Winner 2011: **Flight Centre Environmental Award** (Canada)



In 2011 Intrepid Travel was also included in the Institute of Chartered Accountants in Australia's [*Integrating Sustainability into business practices; a case study approach*](#)

The paper provides business case studies that shed light on the journey towards sustainable business practices.