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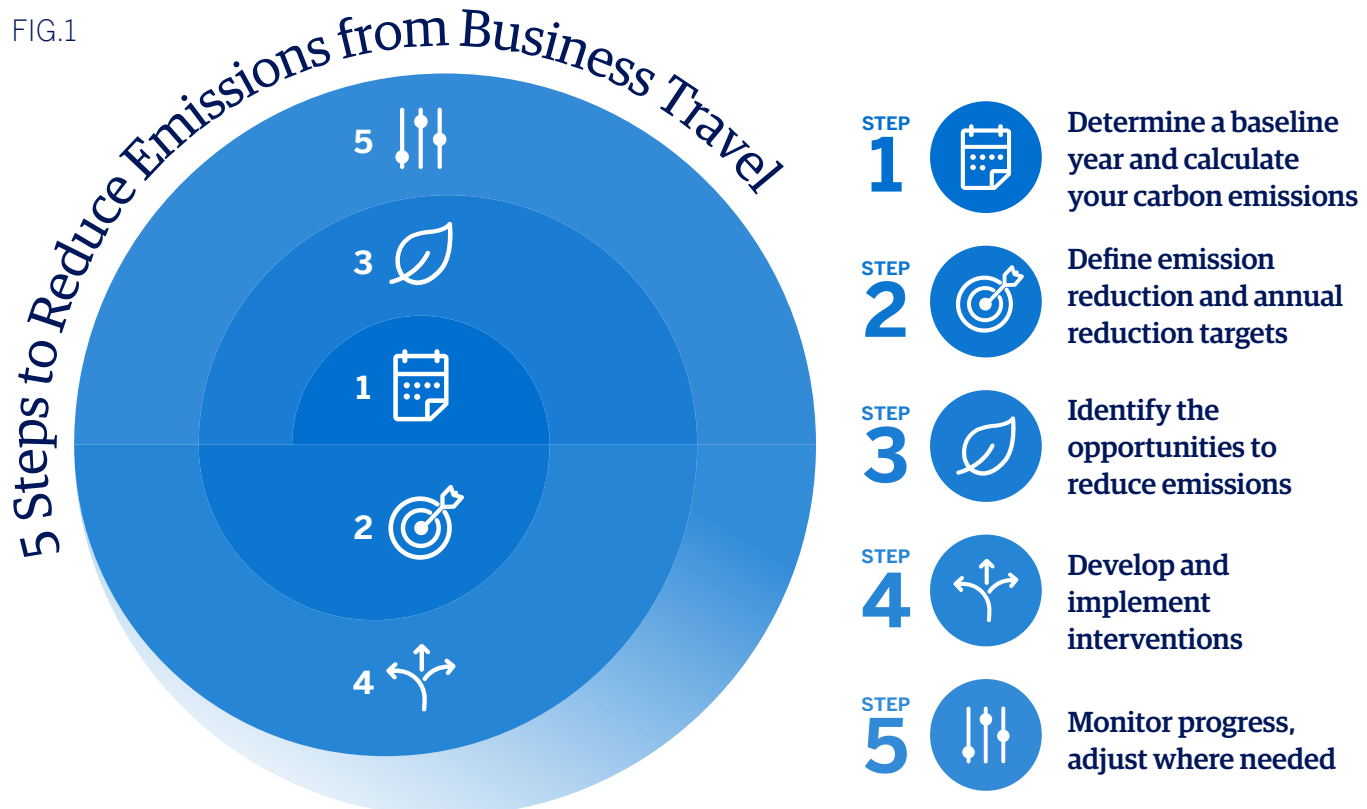
5 Steps

*to Reduce
Emissions from
Business Travel*



DON'T *do business* WITHOUT IT™

It's time to progress your journey to decarbonization



From ambition to execution

Organizations are committed to reducing emissions from business travel - but they don't always know to take the first steps.

Corporate travel has embraced the green imperative: most (89%) industry professionals surveyed by the Global Business Travel Association (GBTA) believe that sustainability is a priority for business travel. Reducing emissions is seen the immediate priority.¹

But it seems that execution has not caught up with ambition. Only a small proportion (14%) of respondents to the GBTA survey felt that the business travel industry is "well advanced" in its sustainability efforts.²

Research conducted by Global Business Consulting (GBC), the consulting arm of American Express Global Business Travel (Amex GBT) among travel managers and procurement professionals confirms that many travel managers are just at the start of the sustainability journey. According to this poll, more than half (57%) have undertaken one-off green projects but have not yet defined a comprehensive sustainability strategy.³

While many organizations' sustainability initiatives appear stuck on square one, the clock is ticking on their decarbonization commitments. Thousands of corporates have identified 2050 as their deadline for reaching net zero, with many committing to a 2030 emission reduction target as a staging post to their 2050 goal.⁴

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With every day that passes, companies get closer to their emission reduction targets and the need to drive effective decarbonization becomes more urgent.

It's time to act. GBC developed *5 Steps to Reduce Emissions from Business Travel* to help you take your first steps on your journey to decarbonization. Using it, you can turn a hypothetical conversation into a data-driven business strategy.

Your journey to decarbonization

Over the next pages, GBC sets out a 5-step approach that can help you begin to reduce the emissions from your travel program.

One point to note at the outset of this journey; driving sustainability is a holistic challenge that touches every part of the travel program. To achieve progress, you need to incorporate sustainability into your daily travel program management. This is true for decarbonization – and for every aspect of sustainable business travel.

It's also important that you understand that sustainability is an ongoing process, and not a one-off. This paper talks about driving decarbonization as a journey. But equally, it could be thought of as a marathon. Successfully reducing emissions from business travel will take planning and time.



Determine a baseline year and calculate your emissions

This is where your journey starts. Before you can set targets and define a reduction strategy, you need to define a baseline year and choose a carbon calculation methodology.

In GBC's experience, most companies use 2019 – the most recent year before the disruption of the travel shutdown - as their baseline for determining their carbon emission reductions.

It is important to understand how closely the 2019 travel program spend profile matches that of 2022. If there are too many variances in, for example, total travel volume and underlying travel characteristics, it won't make sense to use the same reduction assumptions in 2022 that were used in 2019.

Comparing 2019 travel data against 2022 levels will allow you to determine if and how your travel spend profile has changed. Key characteristics to consider include:

- TOP ORIGIN & DESTINATIONS
- TRIP LENGTH
- TOP AIRLINES
- AIR TO RAIL RATIO
- TRIP PURPOSE

How will you calculate and report on your carbon emissions?

Government agencies and non-governmental organizations have defined a number of methodologies for calculating carbon emissions. To serve the specific needs of business travel, GBC has developed its own methodology, the Emissions Optimization Algorithm (EOA). Verified by independent third-party assurance experts, Carbon Footprint, the EOA factors in the key emissions factors associated with business travel including cabin, distance, and aircraft type.



Define emission reduction and annual reduction targets

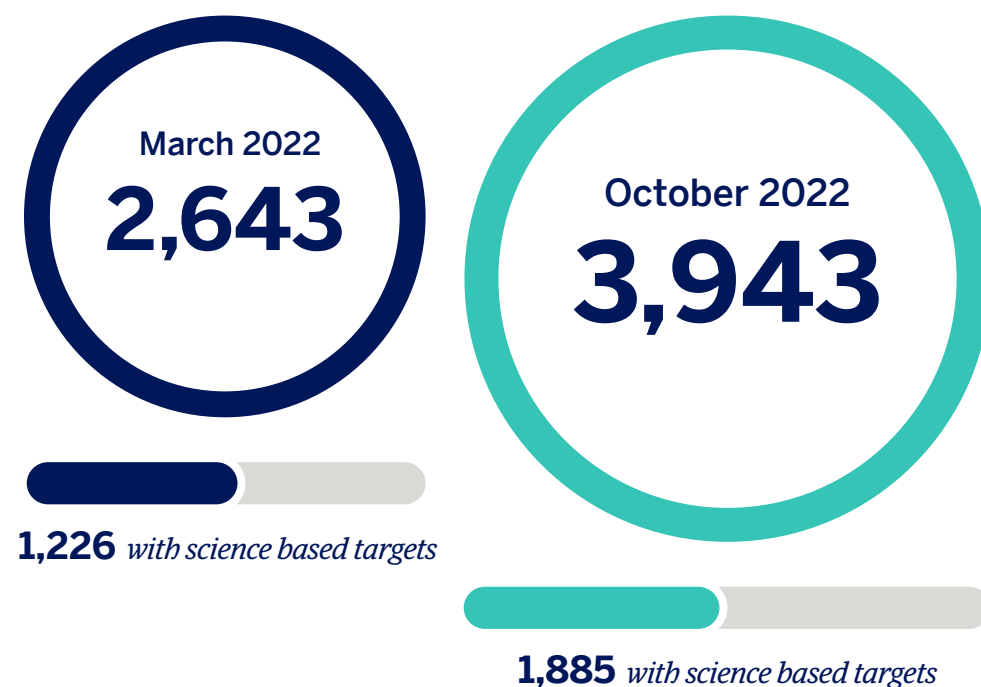
Defining the emission reduction target is a critical step in the decarbonization journey. This is when you set out your carbon reduction ambitions.

The emission reduction target will define the overall size of the required reduction. Using this number, you can calculate the annual emission reduction and lay out a roadmap for achieving the reductions.

As previously noted, organizations often commit to a 2030 emission reduction target as a kind of staging post on their journey to net zero by 2050. Many Amex GBT clients use science based targets, but other target-setting methodologies are available.

Setting reduction targets for indirect Scope 3 emissions is a challenging task on account of the number and diversity of variables across the supply chain. This may explain why – while the number of CEOs with a plan to achieve net zero by 2050 is rising fast – fewer have a plan in place to tackle Scope 3 emissions.⁵

FIG.2
COMPANIES
COMMITTING
TO ACT
RISES BY
49%
IN EIGHT
MONTHS⁶



Why, and why now?

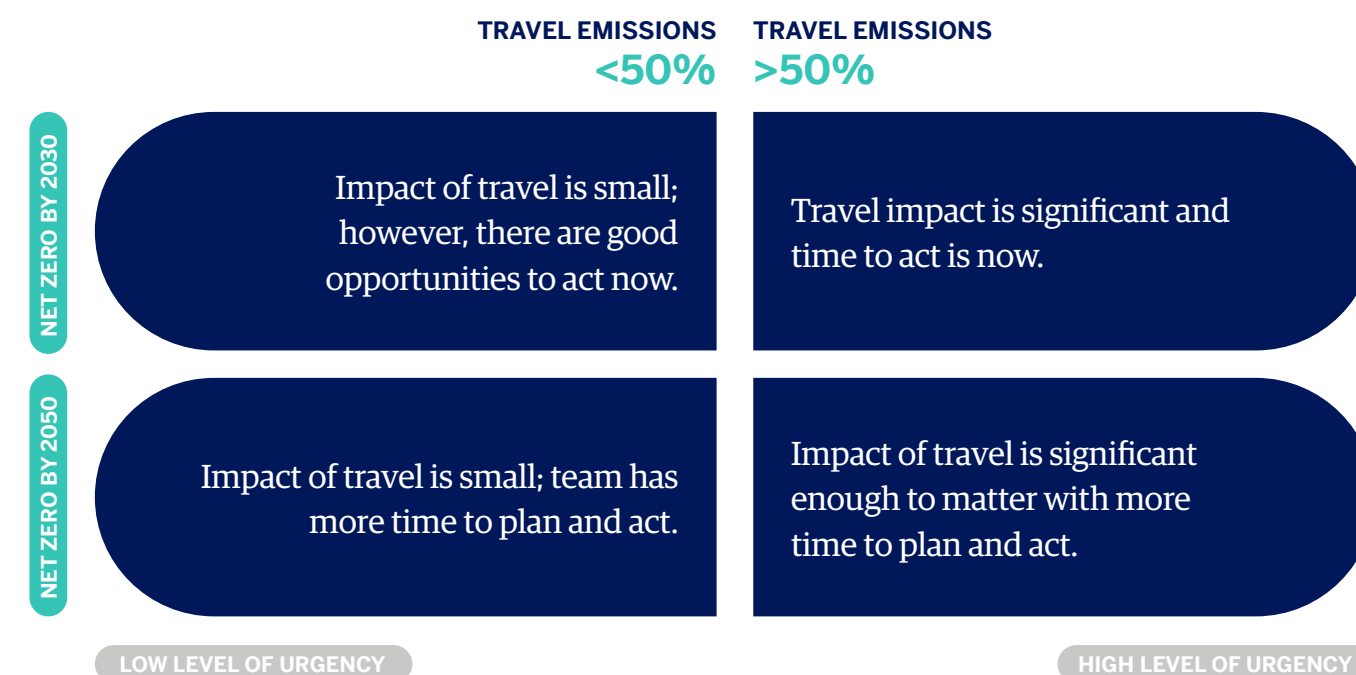
To achieve their targeted emission reductions companies will have to change the way they use business travel. As with any change, it then becomes critical to address the “why” and “why now”.

When engaging clients on the questions of “why” and “why now”, GBC often uses a quadrant analysis (FIG.3) to help determine the urgency for change.

By comparing the impact of emissions from business travel on the companywide emissions on the one hand (“why”) to the reduction target year on the other (“why now”), it is possible to determine the urgency of taking action.

FIG.3

DETERMINING THE URGENCY OF CHANGE



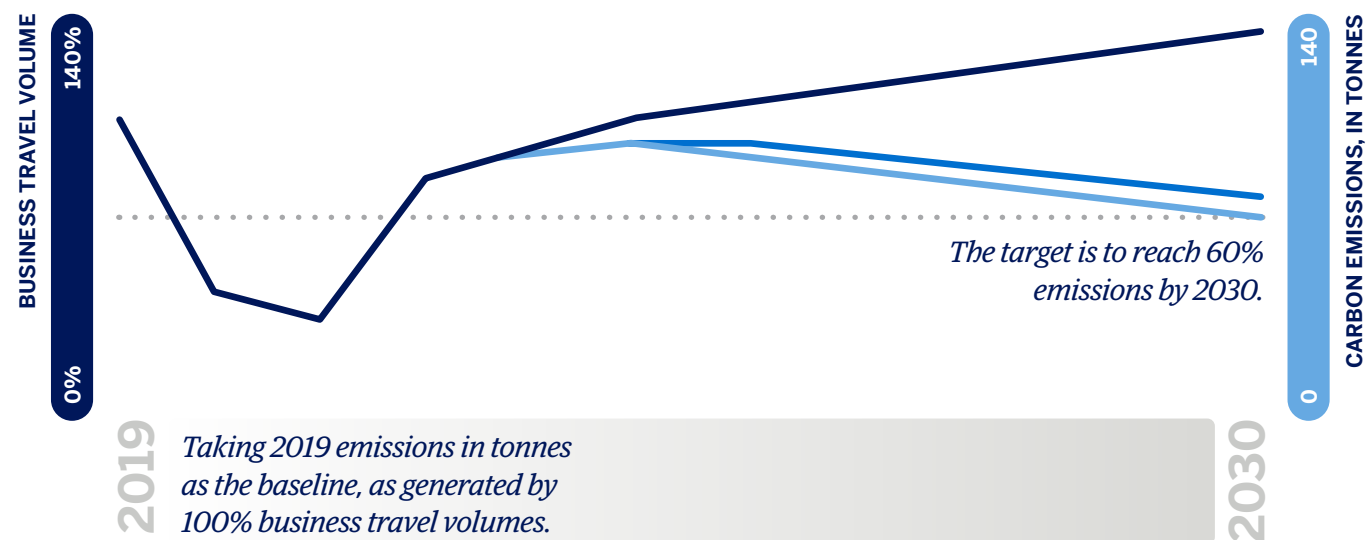
Accounting for business growth

As travel restrictions eased through 2022, business travel made a strong recovery.⁷ There is a well-established correlation between economic growth and business travel growth.⁸ So what will happen to the carbon reduction targets and planning when current business travel volumes surpass the 2019 baseline? As per FIG.4, the combination of a return to 2019 business travel volumes plus any further business growth increases the emission reduction requirement.

Say, a company has committed to reduce carbon emissions from business travel by 30% versus 2019. Instead of focusing on this percentage, the company should focus on the amount of carbon emissions: how many tons of carbon does the company need to cut to reach its targets.

FIG.4

AS BUSINESS GROWTH RETURNS, TRAVEL VOLUMES INCREASE, AND EMISSIONS RISE



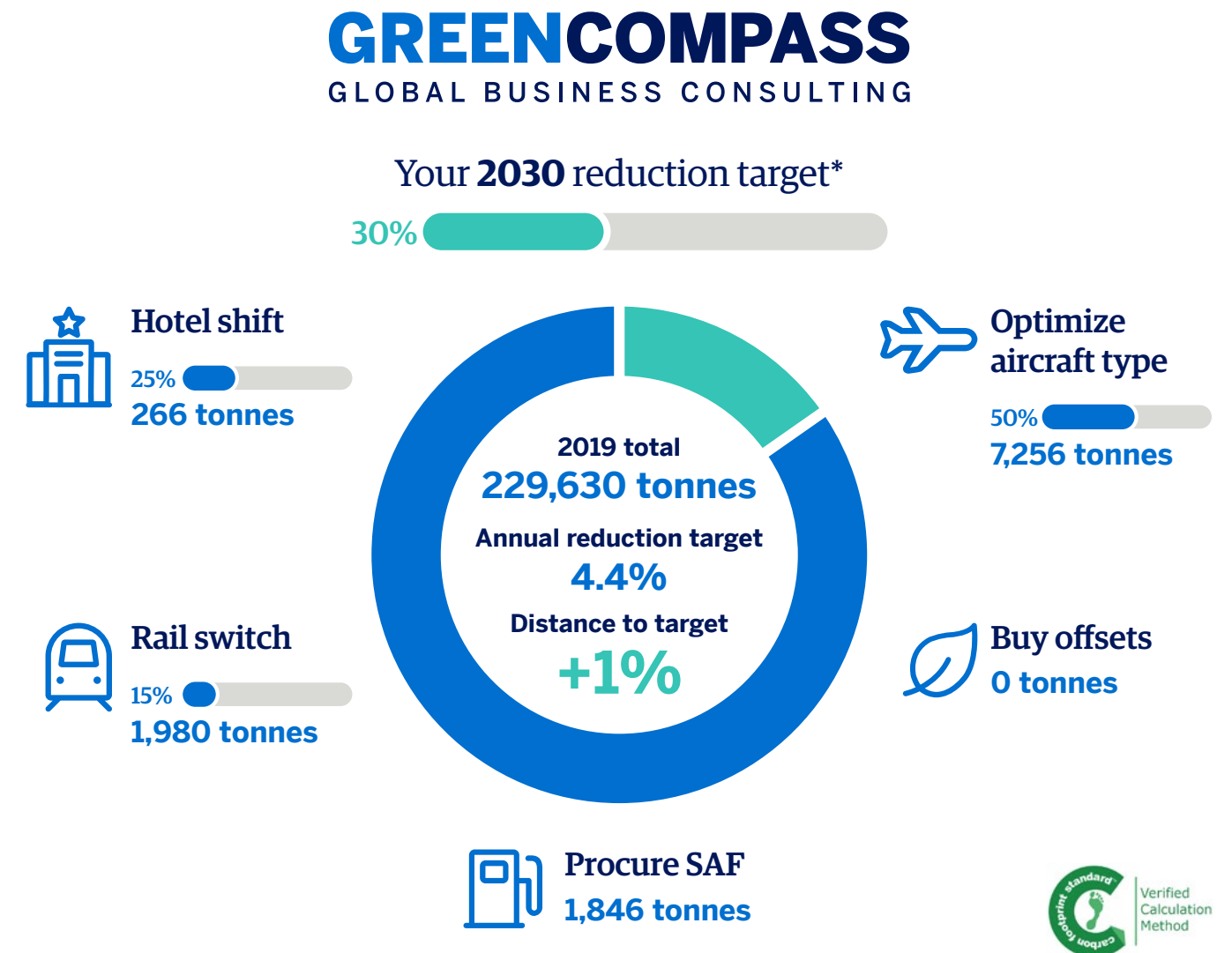
Factoring in business growth.

Emissions reduction targets are based on a baseline travel volumes and emissions.

Increased growth could lead to additional business travel emissions. If these volumes surpass baseline, these additional emissions must be factored into emissions reduction targets.

FIG.5

MAKING EMISSION REDUCTIONS VISIBLE: GREEN COMPASS™



Using Green Compass to identify emissions gap and calculate annual emission targets

As corporate awareness of the urgency of greenhouse gas reduction grows, GBC has been approached by numerous clients who, once they set their emission reduction target, are unsure about the next steps they need to take.

GBC's Green Compass ecosystem of sustainability consulting solutions provides a framework for identifying the client's emission gap for 2019 to 2030, as it relates to their emission reduction targets.



Identify the opportunities to reduce emissions

Once you have identified your annual emission reduction requirement and determined the level of urgency, you can decide what steps need to be taken to reduce emissions from business travel.

It makes sense to identify the opportunities for reductions now, even before an emission reduction target is set. This could allow you to input on the calculation of the target.

Many GBC client conversations start with a series of questions: “which parts of your travel program generate the most emissions?” and “do you know how to reduce these emissions, while still enabling your employees to travel for business?”

For most companies, doing nothing will not be an option if they want to achieve their emission reduction targets. It’s therefore important to understand where you make reductions in your program, and what it would take for these emission reductions to take effect.

Undertaking a green assessment

Conducting a green assessment – a quantitative analysis on the carbon emissions from different levers (see FIG.6) – will identify emission reduction opportunities and, more importantly, address the potential impact from these opportunities. These impacts include:

- Cost implications (*Will this measure cost more, be neutral – or save money?*)
- Travel policy implications (*How will this impact the travel policy?*)
- Preferred supplier implications (*Will any change in behavior have an impact on existing supplier contracts, and what will that impact look like?*)
- Level of effort required to change travel booking and/or travel behavior (*What needs to happen to get travelers to engage with any changes?*)

Traditionally, travel programs looked at travel levers from a financial and/or policy compliance perspective. By looking at them from an emission perspective, you can also factor in sustainability. With this more holistic view, you can take a strategic approach to driving sustainability.

FIG.6

GREEN ASSESSMENT LEVERS: KEY OPPORTUNITIES FOR REDUCING EMISSIONS FROM BUSINESS TRAVEL



A number of travel levers are available today that can help travel managers reduce emissions from business travel. These range from shifting to sustainable hotels (hotel tier shift), flying on lower emission aircraft (optimize aircraft type), substituting rail for air (air to rail switch) to investing in sustainable aviation fuel (SAF) or buying carbon offsets.



Identifying where to focus

As shown in FIG.6, travel managers have several options for reducing emissions across their travel program. But not every travel lever can shift the needle to the same extent. Air travel accounts for a larger proportion of business travel emissions than any other mode.⁹ By addressing the aircraft type on the most polluting routes, switching from air to rail where possible, and by optimizing cabin use, companies can substantially reduce emissions (see FIG.7).

Trip purpose is another important lever and needs to be part of the green assessment. While many corporates use trip purpose as a travel lever, GBC regularly encounters companies that do not report on the actual reason for a business trip. Without a good understanding of trip purpose, it is difficult to determine where changes can be made, what any changes would look like, and what emission reduction they could lead to.

When capturing trip purpose, travel managers should distinguish between *internal* (colleague-to-colleague) and *external* (with clients, suppliers etc.) trips. Depending on the industry and type of travel most commonly taking place, additional trip purpose codes can be used, such as:

- Training
- Conference/congress

FIG.7

LEVERS FOR REDUCING EMISSIONS FROM AIR TRAVEL



Optimize aircraft type:

Modern aircraft offer a better emissions profile than older planes due to massive improvements in fuel. Carrier fuel consumption per passenger fell by approximately 39 percent between 2005 and 2019.¹⁰



Make a modal shift from air to rail:

GBC has found that clients switching from air to high-speed rail within France could reduce their carbon emissions by around 90% and shave 20% off their spend.¹¹



Optimize cabin class:

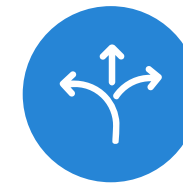
Where traveler wellbeing will allow it, an economy seat typically has a smaller carbon footprint than business class.¹²



Invest in SAF:

Using SAF can reduce overall carbon lifecycle emissions compared to fossil fuels by up to 80%.¹³

STEP 4



Develop and implement interventions

Now that you have a better understanding of your emission reduction opportunities, you can see realistic reduction goals for each lever.

Many companies see point-of-sale and booking tools, such as Amex GBT's Neo, as a critical opportunity to influence traveler decisions and behavior. However, interventions can take place right through the booking and travel process. Before being able to address the change in behavior, it's important to understand:

- When does this behavior take place?
- Why does it take place?
- Who is showing this behavior?
- What are we trying to achieve by intervening?

The science of shifting behavior

Interventions to change behavior must be relevant to the individual traveler. People do not behave identically; they have varying travel needs and show different travel patterns and behaviors. Psychological and behavioral influences change our travel decisions, depending on:

- Context and how options are presented to us
- How our peer group travels
- How our choices are recognized and the feedback we receive

Increasingly, travel consulting specialists, such as GBC, apply behavioral science when planning interventions. The "EAST" framework for behavioral change – described in FIG.8 – can help you design purposeful interventions which are tailored for specific personas.

Behavioral science in action

Interventions are critical to helping you realize your emissions reductions. By applying the techniques described here, you can design purposeful interventions based on your travelers' behaviors, needs, and preferences.

FIG.8

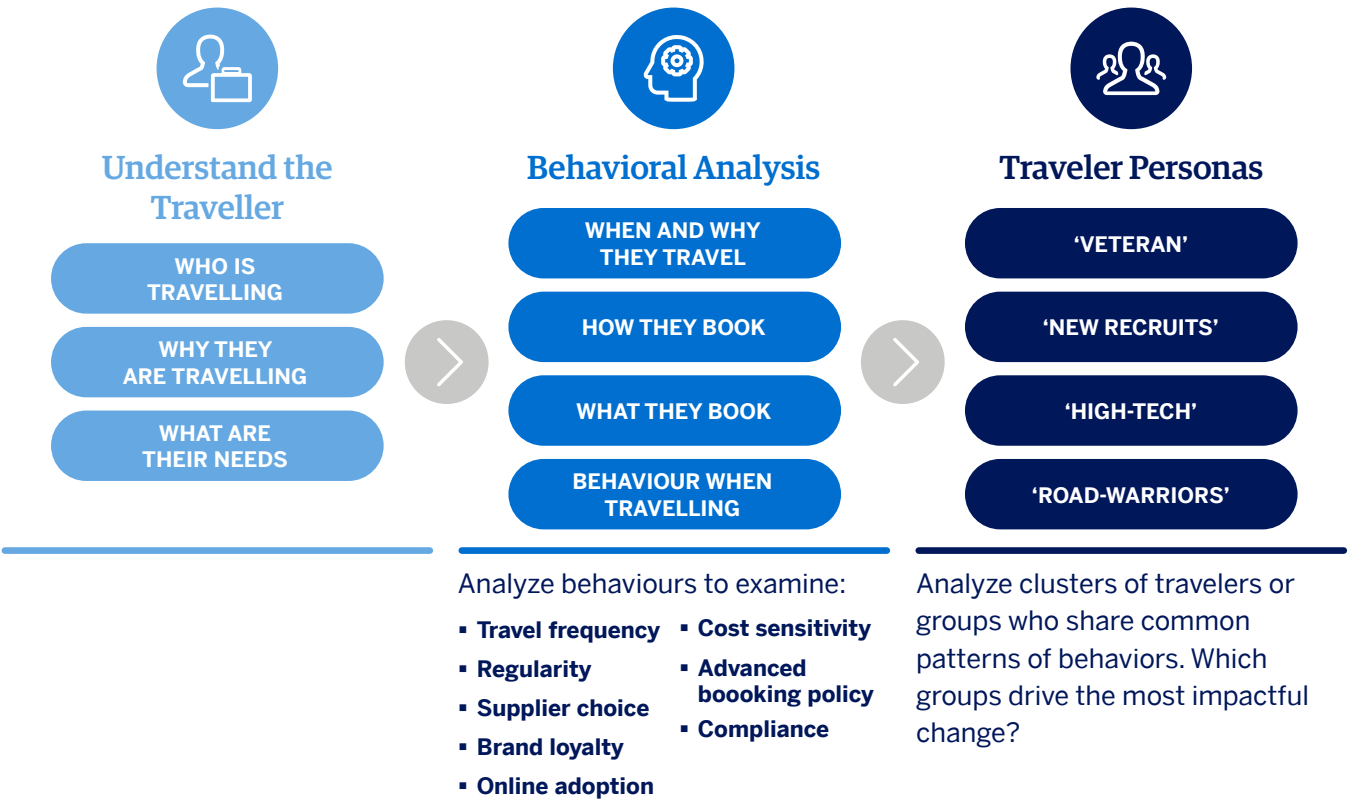
THE “EAST” BEHAVIORAL CHANGE FRAMEWORK



GBC suggests a multi-stage approach for designing interventions, as shown in FIG.9. This begins by understanding the individual traveler and analyzing their behavior, allowing consultants to identify travel personas. These are individual travelers or groups of travelers who share common patterns of behavior.

FIG.9

A MULTI-STAGE APPROACH FOR DESIGNING BEHAVIORAL INTERVENTIONS



Once the traveler personas are identified, interventions can be designed that match the behavior and preferences of each persona. When it comes to rolling the interventions out to travelers, GBC recommends applying nudge theory, an approach from behavioral science that focuses on how people make decisions (see FIG.10). By presenting information in a particular way – with

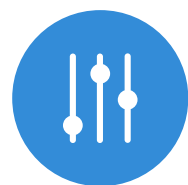
clear explanation and a relevant context – it is possible to “nudge” people into making better choices. Travelers can be reached and influenced at different stages of the booking and travel process. This can be as straightforward as sending the traveler a text message on their arrival at an airport to remind them what green travel options are available to their meeting location.

FIG.10

WHAT IS NUDGE THEORY?



Nudge theory is about using encouragement or suggestions to guide behavior while still giving people the freedom to make their own decisions. The key word here is “freedom”; instead of trying to change traveler behavior through mandates or rules, encouragement and choice are at the center of driving change.



Monitor progress, adjust where needed

Now that you have identified the right travel levers and designed interventions to shape traveler behavior, it's time to set up systems to monitor your progress.

Tracking multiple interventions over time can be a complex challenge, particularly given the number of variables concerned. Begin by obtaining meaningful data, ideally linked with the travel levers discussed in step 3. This data will tell you whether your interventions led to the emission reductions you had targeted.

Interventions do not always deliver the planned outcomes and may become less effective over time as conditions change. You should regularly check that your interventions are working.

Maintaining a carbon budget

Prior to the disruption of 2020, travel budgets were mainly financially driven. Organizations would set a financial budget for travel – although they were not always successful in sticking to it. There would usually be a legitimate business reason for exceeding the budget. At the end of the financial year, the overspend could be forgotten about.

The situation is quite different when the focus shifts to carbon emissions. Failing to achieve targeted budget reductions in one year will add to the reduction needs of the following year. To avoid widening the gap, it is critical to meet the annual emissions target.

Regular and repeated monitoring

As noted (Accounting for business growth, page 8), you need to be mindful of changing circumstances like business growth. You should carry out an annual review of your emission reduction needs, to ensure the emission reduction target remains within reach.



> The next steps

With the commitment to reducing emissions from business travel comes the responsibility to deliver just that.

For corporate travel managers and buyers, delivering the commitment requires understanding what the reduction target really entails; knowing where emission reductions can be successfully made, and how to purposefully engage with the traveler base to support both the business and sustainability objectives. *5 steps* offers you the tools and techniques to get started and make progress on your journey to decarbonization.

Achieving reduced emissions is a process and it won't happen overnight. As noted at the beginning of this paper, driving sustainability in business travel is a marathon, and certainly not a sprint.

5 Steps is part of series on driving sustainability in through the business travel program. Look out for the next publication, scheduled for publication in H1 2023.

About Amex GBT Global Business Consulting

Global Business Consulting (GBC) is the consulting arm of Amex GBT. Our team of professionals works with clients to help them navigate the constantly evolving global travel industry.

GBC's sustainability practice line partners with clients to help them achieve their sustainability goals. Our consultants are certified by the Global Sustainable Tourism Council (GSTC) and have expertise in key disciplines for driving successful sustainable programs including sourcing strategy, behavioral science, traveler engagement, and policy.

The Green Compass consulting ecosystem is at the heart of our approach. Green Compass solutions guides organisations through their sustainability journey, from their first steps of completing an inventory and setting goals to embedding sustainability with actions for travellers and suppliers through change management and category specific actions. Working with Green Compass, clients can achieve a balance between carbon savings, cost, and traveller experience that matches the needs and culture of their organisation.

About American Express Global Business Travel (Amex GBT)

Amex GBT is the world's leading B2B travel platform, providing software and services to manage travel, expenses, and meetings and events for companies of all sizes. We have built the most valuable marketplace in B2B travel to deliver unrivalled choice, value, and experiences. With travel professionals in more than 140 countries, our customers and travelers enjoy the powerful backing of American Express Global Business Travel.

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To learn more about how GBC can help you make your travel program more sustainable, please [contact us](#).

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