



**GLOBAL
BUSINESS
TRAVEL**

2024

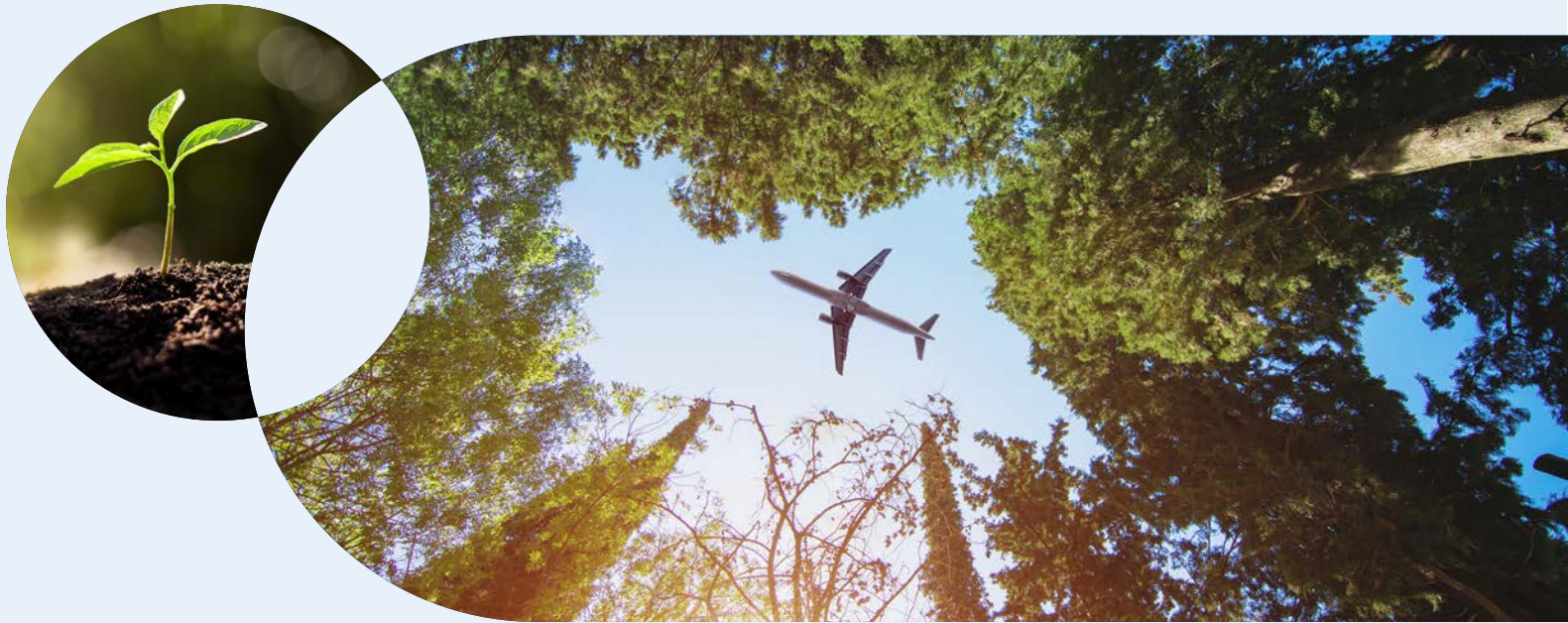
Election Manifesto

How governments can protect the economic benefits of business travel through decarbonization



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Our Asks of Governments

Create a stable policy landscape that supports the scaling of SAF

Sustainable aviation fuel (SAF) is currently the most viable decarbonization pathway for aviation¹. Scaling SAF to reach net zero aviation by 2050 requires all parts of the aviation value chain to play their part. The private sector can drive progress today through continued investment, research, and development, but the public sector plays a pivotal role in setting the regulatory framework, providing confidence to corporations that their commitments today will yield longer-term benefits tomorrow.

- **Enable and encourage SAF production, use, and R&D to develop different types of SAF.** A mix of policy interventions can be targeted at different participants across the value chain, but it is essential that governments provide the right stimulus at the right time^{2,3}.
- **Recognize Book & Claim (B&C) for SAF.** Clear and consistent accounting and reporting standards are vital to unlocking significant, long-term investment from corporate aviation consumers for the environmental attributes of SAF⁴.
- **Prioritize renewable fuel production for hard to electrify sectors such as aviation.** Although SAF production is expected to triple in 2024, it will only grow to 6% of all renewable fuels produced according to IATA. To reach aviation's 2050 net zero target, 25% - 30% of annual renewable fuel production capacity needs to be for SAF by 2030⁵.

Lead by example

- **Procure SAF for government travel.** National governments have large travel budgets and significant purchasing power. This spend can be harnessed to establish long-term durable demand for SAF, supporting investment and production.
- **Continue use and exploration of SAF by military.** Militaries are the original SAF innovators. In recent years, the UK RAF carried out one of the world's first 100% SAF flights using military aircraft and the US Department of Defense has entered contracts to further develop SAF technology.^{6,7} Use of SAF by military can help reduce risk, secure energy independence, address climate impact, and support existing government-led SAF initiatives and regulations such as the UK SAF Mandate and US SAF Grand Challenge.⁸
- **Implement carbon pricing across government agencies.** As of 2024, nearly a quarter of global emissions are covered by a carbon price.⁹ Governments are some of the world's largest purchasers: the US federal government spends more than \$630 billion per year on goods and services. Putting a price on carbon can help lower emissions by encouraging the use of less carbon-intensive goods and services and spurring markets for them. It can also lead to better decision making and use of government resources through stronger cost-benefit analyses and policy comparison.^{10,11}

What is American Express Global Business Travel Doing

Industry advocacy

Amex GBT helps accelerate the decarbonization of aviation with SAF and new technologies by advocating together with industry partners and respected NGOs.

- **Avelia:** Amex GBT came together with Accenture, Energy Web Foundation and Shell Aviation to create Avelia, a blockchain powered B&C solution that provides fully traceable environmental attributes of SAF, allowing credible tracking and reporting on emissions



reductions. Since Avelia launched in June 2022, over 3.5M gallons of SAF have been injected into the aviation fueling system in the US, Europe, Middle East and Asia, abating over 30,000 tCO₂e or approximately 50,000 flights from London to New York.¹² This program continues to grow: over 20 airlines and corporates have signed agreements to purchase SAF environmental attributes totaling up to 49M gallons, which could potentially abate more than 450,000 tCO₂e or approximately 800,000 flights from London to New York by 2026.¹³

- **United Airlines Ventures Sustainable Flight Fund (UAV SFF):** Amex GBT is a strategic investor in UAV SFF, a first-of-its-kind investment vehicle designed to support startups focused on decarbonizing air travel by accelerating the research, production, and technologies associated with SAF.
- **World Economic Forum:** Amex GBT is the only member of The Forum representing the business travel industry. We are part of the First Movers Coalition and helping to progress the Clean Skies for Tomorrow ambition to power global aviation with 10% SAF by 2030.
- **SABA (Sustainable Aviation Buyers Alliance):** Amex GBT is a member of SABA, a collaboration between nonprofits environmental Defense Fund (EDF) and Rocky Mountain Institute (RMI), designed to accelerate the path to net zero aviation by driving investment in, and adoption of, high-integrity SAF and supporting companies, airlines and freight customers in achieving their climate goals.
- **IATA's Fly Net Zero Commitment:** As strategic partner of the International Air Transport Association (IATA), Amex GBT is proud to support IATA's Fly Net Zero commitment, a pledge by airlines to achieve net-zero carbon from their operations by 2050.
- **Massachusetts Institute of Technology (MIT) Center for Transportation & Logistics and Smart Freight Center (SFC):** MIT & SFC worked with stakeholders, including Amex GBT, to develop SAF GHG Emission Accounting and Insetting Guidelines, providing the principles for a book-and-claim chain of custody recognized by the World Economic Forum and the Science Based Targets initiative.



Government advocacy

- **GLOBAL:** Amex GBT is helping to demonstrate demand for SAF and the viability of B&C as a credible mechanism for carbon reductions in the aviation industry with our partners on Avelia and with NGOs.
- **US:** Amex GBT is the only travel management company part of the SAF Coalition, a driving force behind the inclusion of SAF tax credits in the Inflation Reduction Act. These provisions are mission critical for the Biden Administration's SAF Grand Challenge, a government-wide approach to achieve 3B gallons per year of domestic SAF production that achieves +50% lifecycle reductions by 2030, and 100% of projected jet fuel use or 35B gallons of annual production by 2050. The SAF Coalition is currently advocating for US Treasury to accept B&C accounting under these SAF tax credits and for Congress to extend the duration of these credits.
- **UK:** Amex GBT is the only representative of the business travel industry on the UK Jet Zero Council SAF Delivery Subgroups for (i) Commercialization and (ii) Mandate Implementation. We engage directly with members of Parliament and civil servants to advocate for B&C recognition and the promotion of SAF capacity and uptake.

Why Government Action is Needed Now

The world is coming to a critical convergence of political and climate action. 2024 will be a record year for global elections and global warming. More than 4 billion people – representing more than half of the world's population – are expected to head to the polls with more than 60 countries holding elections.¹⁴ This comes on the heels of another record year: 2023 was the hottest year on record with Earth's temperature rising to 1.48 Celsius, dangerously close to the 1.5 Celsius warming threshold countries agreed to in the Paris Agreement.¹⁵

Governments have a responsibility to their constituents and to the planet to take meaningful climate action. They will be governing in a critical window of time to help countries hit domestic and internationally agreed upon 2030 climate targets, and subsequently 2050 climate targets. According to the World Economic Forum, the steps taken by governments thus far have been critically insufficient. As of today, only 35% of emissions are covered by national 2050 net zero commitments and just 20% by 2030 commitments that are at least close to a 1.5°C path. Bold ambition and action are needed.¹⁶



The private sector, including the business travel industry, has a critical role to play alongside government in delivering the acceleration to net zero needed now. However, the implementation of effective climate policy by governments is essential to unlocking private sector action. In its first year the U.S. Inflation Reduction Act spurred \$278 billion in new private clean energy investments.¹⁷ The transformational change needed to decarbonize business travel will be private sector-led but government-enabled.

Why Business Travel

Travel isn't the problem, carbon is the problem. Addressing that challenge is essential to keep enjoying the social and economic benefits of travel because travel is a force for good. It builds respect among global communities and sparks economic growth, and cities and industries depend on it. In 2024 global business travel spend is expected to exceed \$1.4 trillion and grow to nearly \$1.8 trillion by 2027.¹⁸ But business travel as a force for good extends beyond economic and social progress, to environmental progress.

Compared to leisure travel, business travel is a highly influential and concentrated industry; on certain flights business travelers make up 12% of passengers but 75% of airline revenue.¹⁹ The purchasing power of business travel and the choices that business travelers make have great potential to help accelerate the decarbonization of travel. This is already playing out with the scaling of SAF, where corporates purchasing SAF are playing a key role in jumpstarting this emerging industry.²⁰ The business travel community is capitalizing on opportunities for action and making progress on initiatives that can help reduce the environmental footprint of corporate travel programs and help drive overall company sustainability objectives. Business travel's willingness to step up and help cover the "green premium" of emerging sustainable travel options such as SAF is also helping protect leisure travelers from additional costs and futureproofing aviation for all.

Why American Express Global Business Travel

American Express Global Business Travel (Amex GBT) moves the working world. We are the world's leading software and services company for travel and expense in terms of total spend with the largest concentration of high-value travelers in the business travel industry. We support nearly 20,000 customers of all sectors and sizes across 140 countries, helping move millions of people around the globe for business every year. Our unique role at the center of the travel ecosystem means our efforts to make travel more sustainable can make a real difference.



The answer isn't to remove people from travel, it's to remove carbon from travel—and that's exactly what we are trying to do. We are uniquely equipped to offer clients support with their environmental ambitions by helping measure and minimize carbon emissions, book greener options, invest in mitigation beyond their value chains, drive the industry toward net zero with SAF, and more. Sustainability is more relevant than ever amid a flurry of new legislation globally, greater bipartisan recognition of the economic advantage of greener travel, and an upswell in demand and requests for solutions from our customers.

¹ World Economic Forum, *Sustainable Aviation Fuels: Offtake Manual*

² IATA, *SAF Deployment*

³ LEK, *Fuelling the Future of Aviation: Making Sustainable Aviation Fuel a Reality*

⁴ World Economic Forum, *Sustainable Aviation Fuel Certificate (SAFc) Emissions Accounting and Reporting Guidelines*

⁵ IATA, *SAF Volumes Growing but Still Missing Opportunities*

⁶ <https://www.defense-aerospace.com/how-the-military-is-driving-the-adoption-of-alternative-aviation-fuels/>

⁷ <https://www.usatoday.com/story/travel/airline-news/2023/02/28/experimental-aviation-fuel-air-force/11332701002/>

⁸ <https://www.thirdway.org/blog/why-the-military-should-use-sustainable-aviation-fuel>

⁹ <https://carbonpricingdashboard.worldbank.org/>

¹⁰ The White House, *FACT SHEET: Biden- Harris Administration Announces New Actions to Reduce Greenhouse Gas Emissions and Combat the Climate Crisis*

¹¹ EY, *Who pays the tax: carbon pricing by sector and country under alternative climate scenarios*

¹² The number of one-way long haul average passenger flights has been calculated based on the following assumptions, a flight distance between London and New York of 5541km, and an emissions factor for a long-haul flight of 0.102 kgCO₂e/passenger-km based on UK DEFRA 2022 emissions factors for corporate reporting.

¹³ The amount of attributes ultimately delivered under these agreements will depend on the availability/supply of SAF during the relevant contract periods.

¹⁴ <https://www.economist.com/interactive/the-world-ahead/2023/11/13/2024-is-the-biggest-election-year-in-history>

¹⁵ <https://apnews.com/article/climate-change-warming-heating-earth-europe-copernicus-60eb12d11b7e5f694848673bb58512d3>

¹⁶ WEF, *Bold Measures to Close the Climate Action Gap: A Call for Systemic Change by Governments and Corporations*

¹⁷ <https://rmi.org/its-the-iras-first-birthday-here-are-five-areas-where-progress-is-piling-up/#:~:text=Twelve%20months%20after%20passage%2C%20the,accounting%20for%20170%2C000%20new%20jobs>

¹⁸ GBTA, *2023 GBTA Business Travel Index™ Outlook – Annual Global Report and Forecast*

¹⁹ <https://www.pwc.com/us/en/industries/consumer-markets/library/corporate-travel-collaboration-essential-for-covid-19-recovery.html>

²⁰ <https://www.bloomberg.com/news/articles/2023-10-27/microsoft-s-climate-plan-to-buy-millions-of-gallons-of-jet-fuel>

