



GLOBAL
BUSINESS
TRAVEL

"The greatest threat to
our planet is the belief that
someone else will save it."

Robert Swan.



GREEN TRAVEL

Approach to integrating
sustainability in business travel



FOREWORD

Progressive organisations are now embracing sustainability, and looking to embed sustainable best practices into their operations.

Over the past two years, our clients have expressed a growing interest in integrating corporate sustainability goals into their travel program.

This push for sustainability is primarily driven by consumer behaviour, more so than regulatory pressure or the corporate conscience.

Modern consumers are choosing products and services that meet sustainability standards: increasingly, the right choices for the environment are also becoming right for business.

This whitepaper looks at key environmental sustainability trends and provides practical guidance on how you can integrate sustainability into your travel program.

INTRODUCTION

Sustainability is generally defined by three pillars: social, environmental and economic. Some authors have expanded this definition to include a fourth pillar which is centred on politics and governance.

- **Social sustainability** relates to how a company's operations and practices affect the quality of life of both employees and their communities. Examples include working conditions, nondiscrimination and health and safety at work
- **Environmental sustainability** relates to practices that impact the environment over the long-term. Examples include recycling, carbon emissions reduction, and waste management¹.
- **Economic sustainability** refers to practices that support long-term economic growth without negatively impacting social, environmental, and cultural aspects of the community²

While both public and privately-owned companies hold crucial commercial roles in society, they also play critical roles in shaping our social and environmental future.

As a company's environmental record becomes increasingly important to its reputation and commercial viability, sustainability is an increasingly important topic.

Sustainable development

Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it, two key concepts:

- The concept of 'needs', in particular the essential needs of the world's poor, to which overriding priority should be given
- The idea of limitations imposed by the state of technology and social organisation on the environment's ability to meet present and future needs

– World Commission on Environment and Development, Our Common Future (1987)

GREEN TRAVEL

Climate change and greenhouse gases

Since the industrial revolution, there has been rapid economic growth and an exponential increase in consumable goods. This has been accompanied by an equally rapid increase in burning fuel to produce these goods, and a rise in greenhouse gases (GHG) which are now linked to global warming. The GHGP or Greenhouse Gas Protocol³ establishes standardised global frameworks to measure and manage these GHG emissions.

The GHG Protocol defines direct and indirect emissions as:

- Direct GHG emissions are emissions from sources owned or controlled by a reporting entity
- Indirect GHG emissions are emissions that are a consequence of the activities of the reporting entity, but occur at sources owned or controlled by another entity

The GHG Protocol further categorises these direct and indirect emissions into three broad scopes:

- **Scope 1:** All direct GHG emissions
- **Scope 2:** Indirect GHG emissions from consumption of purchased electricity, heat or steam
- **Scope 3:** Other indirect emissions such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities not covered in Scope 2, outsourced activities, waste disposal⁴

Green travel – direct or indirect emissions?

Green travel is a set of practices business travellers can use to minimise their environmental footprint. By measuring emissions, we can better understand the traveller's environmental footprint and put plans in place to reduce it.

A large amount of business travel emissions, likely fall under Scope-3 indirect emissions where the sources are suppliers such as airlines, hotels, or rental car companies.



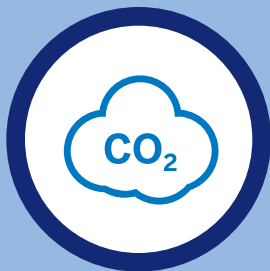
COMMON GREEN TRAVEL PRACTICES

Below are some green practices travellers can follow to reduce an organisation's carbon footprint.



SHARED ECONOMY

- Use ride-share apps like [Uber](#), [Lyft](#) and [BlaBlaCar](#)
- Share cabs, incentivise employees to take public transport
- Consider fuel efficient rental cars



OFFSETTING CARBON EMISSIONS

- Track and actively manage traveller generated carbon emissions



GREENER AIR TRAVEL

- Book direct flights. More stops mean more takeoffs and landings; a large source of CO₂ emissions and fuel use
- Economy seats have a smaller carbon footprint than premium seats in first or business class
- Less luggage = a lighter load and less fuel consumption
- Group meetings together to fly less often
- Choose rail over air where possible



BOOK GREEN HOTELS

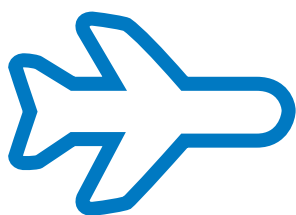
- Negotiate special rates at [Green Key](#) or LEED certified hotels. Typically, these feature flow-restrictive showerheads, low-flow toilets, energy-efficient lighting and linen programs
- Encourage travellers to choose recyclable goods and reduce use of non-recyclables. Reuse towels and switch off electric appliances when leaving the guest rooms



PROMOTE DIGITAL

- Leverage technology
- Go paperless – intranet travel eg, approval forms billing statements

BUSINESS TRAVEL ECOSYSTEM – IMPACT ON ENVIRONMENT



Air travel

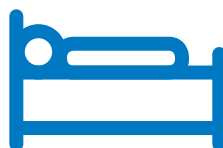
The International Council on Clean Transportation (ICCT) reports that commercial aviation accounts for two per cent of global carbon emissions and 12% of emissions in the transport sector⁵. For service-based organisations, business travel and aviation are the biggest contributors to their total emissions, often above the collective carbon footprint of their offices.

Typically an aircraft burns about 0.03 kg of fuel for each kg carried per hour⁶. The fuel efficiency of an aircraft determines the amount of carbon dioxide and other GHG gases produced. Factors that contribute to an aircraft's efficiency include:

- **Type of aircraft:** Fuel burn is affected largely by an aircraft's engine attributes. In general, aircrafts with four engines are less-fuel efficient than those with two
- **Passenger load and seating density:** More passengers means more weight which results in more fuel burned during takeoff, flight and landing
- **Freight share:** Freight including baggage contributes to the total load of the aircraft
- **Direct and indirect flights:** Take-off and landing burns a large amount of fuel. Thus, an indirect flight with a stopover will be less carbon-efficient

Air travel impacts the local environment through increased nitrogen pollutants, particulates and noise levels. Efforts are underway by governments and international organisations to cut aviation emissions. This includes measures such as substituting body metals with light composites in aircraft construction, increasing fuel efficiency and finding biofuel substitutes.

Shifting spend to more fuel-efficient airlines, direct routes, and ensuring business travellers carry less weight when they fly are some travel policy elements to be considered.



Accommodation

Indirect carbon emissions associated with hotels are largely due to electricity consumption in guest rooms, or common areas such as restaurants, lobbies and offices. Levels of GHG gases released vary according to the location and its electricity source (eg. coal vs hydroelectricity).

Amenities provided to travellers can also have an indirect footprint depending on how they are manufactured and how many kilometres they have been transported to the hotel.

Hotel and corporate travel buyers can use carbon footprint per room night as a measure. A related metric is the energy intensity per square metre of floor area.

Other key metrics driving environmental sustainability of hotel operations include:

- Fuel usage in local generators used for power back-ups and voltage maintenance
- Water consumption per room night
- Fuel consumed in heating water or heating the rooms
- Waste diversion rate, i.e. the amount of waste being recycled

While hotel RFPs may ask these questions, they are not often completely understood or answered correctly. Corporate travel buyers should carefully evaluate responses from RFP participants for this reason.



Other components of a business trip

There are other items that affect a business trip's carbon footprint. For example, using paper for air tickets or itinerary, hotel reservation confirmations and visa documents. While it may not be possible to avoid all printing, there are digital apps and online solutions travellers can use instead.

Ground transport is a necessity for travellers to move between residences, airports, hotels and offices. A company's travel footprint can be reduced by promoting public transport and ride-sharing either through policy directions or through staff incentives. This is especially impactful when multiple employees are travelling to the same destination. Similarly, ground transport providers with hybrid and electric vehicles and fuel-efficient engines should be promoted.



Environmental certifications

While there are different certifications and standards on sustainability, the underlying principles and calculation standards often remain the same. Here are some examples:

- ICAO (International Civil Aviation Organisation) and ISO (International Organisation for Standardisation). GRI (Global Reporting Initiative)⁷
- Verified Carbon Standard which helps verify measured carbon emissions and helps offset the same
- The ISO 14064⁸ standards for greenhouse gas accounting and verification provides government and industry with tools and programs to reduce greenhouse gas emissions and facilitate emissions trading

Certifications offer a structured and consistent approach to sustainability. They also help the travel buyer measure like-for-like in their suppliers. Travel buyers should also look for these certifications include a third-party audit. Some common certifications are included in the appendix of this paper.



DRIVERS OF SUSTAINABILITY IN BUSINESS TRAVEL

THERE ARE FOUR MAIN DRIVERS OF SUSTAINABILITY FOR BUSINESS TRAVEL:

1. Conscience-based drivers

Often driven by passionate leaders or individuals, a sustainable mindset can flow through influence the culture of the entire organisation. This can be reflected in the choices of supplier and partner networks, engages employees and makes them feel proud. As business travel is likely the first or second largest source of carbon emissions, introducing a carbon reduction plan for employees to follow can increase the organisation's overall success in meeting sustainability targets.

2. Shareholders' interests

A listed company's valuation is not just based on their balance sheets and profitability statements. The valuation can be impacted by an expanded set of risks related to sustainability, including climate risk, supply chain risk, social capital risk. As an example, if an organisation is known to have processes that pollute the environment, whether that be accidentally or as a byproduct of industry, this will result in negative consumer perception or additional government levies. Both of which can impact the immediate and long term profitability of the business.

In recent years we have seen the emergence of green investors who selectively raise capital and invest in firms with strong track records in environmental sustainability. Where a company fails to deliver, or has a lack of progress on sustainable initiatives, these investors may withdraw their capital. This underlines the need for businesses to report carbon emissions and environmental efforts in a timely manner. Many publish annual sustainability reports to disclose this information.

3. Consumer marketing

In the past decade, sustainability efforts made by a company, including voluntary carbon reporting and offsetting, were used to enhance a company's reputation as a responsible corporate citizen. As consumers become more environmentally conscious there is a high potential for them to use their purchasing power selectively to favour more compliant companies.

Megan Flynn, a well-known sustainability expert with environmental sustainability experience in the aviation sector and the Executive Director of Pollination Capital Partners in Australia, observed more businesses embracing sustainability in their operations over the past two years – primarily due to demand from consumers as well as investors.

While investors can refer to indices like the Dow Jones Sustainability Index, consumers can refer to recommendations from groups such as the Taskforce on Climate-related Financial Disclosures (TCFD). TCFD develops voluntary, consistent climate-related financial risk disclosures for companies to use in providing information to investors, lenders, insurers, and other stakeholders.

Consumers can also refer to the Carbon Disclosure Project (CDP), which is a non-profit charity helping organisations to disclose their carbon footprint using a well-defined system. EcoVadis is another collaborative platform that drives sustainability performance across 190 sectors and 150 countries through simplified sustainability ratings.

In business travel, this means corporate customers can respond to this consumer demand by sourcing sustainably minded suppliers, which ties back to scope 3 emissions reporting.



4. Government Regulations and Taxation

While conscience-based drivers are voluntary, environmental and tax-based regulations are government mandated. They are largely based on commitments governments make in global or country forums.

A United Nations⁹ report concluded environmental concerns have reached every corner of the world. According to the report, 176 countries have environmental framework laws; 150 countries have environmental protection or the right to a healthy environment in their constitutions; and 164 countries have created cabinet-level bodies responsible for environmental protection, as of 2017.

There has been worldwide debate on imposing a carbon tax¹⁰ to reduce emissions. The tax burden would fall most heavily on energy-intensive industries and lower-income households.

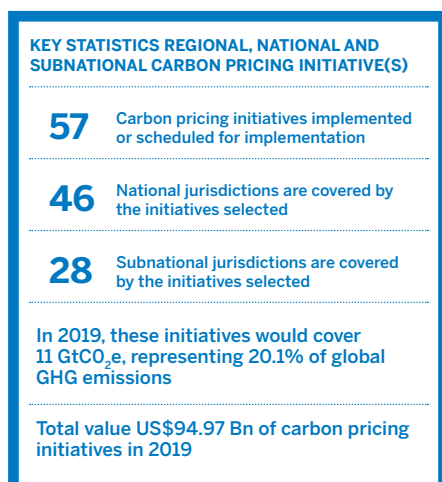
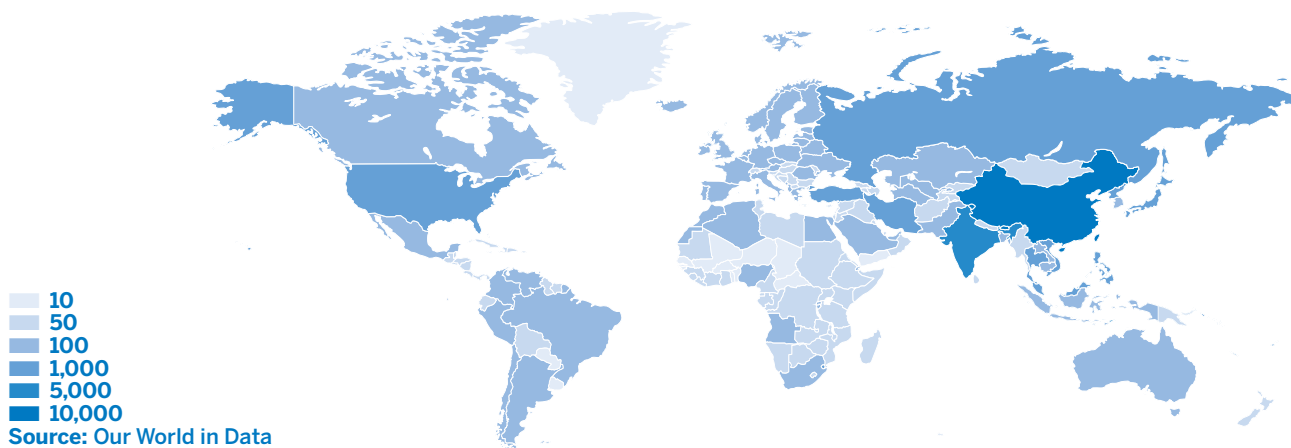
The World Bank reports¹¹ that 40 countries and 20 municipalities now use either carbon taxes or carbon

emissions trading, which covers 13% of annual global greenhouse gas emissions. These countries include Canada, the United Kingdom, France, Australia and China. Most of the European Union have carbon pricing mechanisms. Countries that have not include India, Russia and the United States of America.

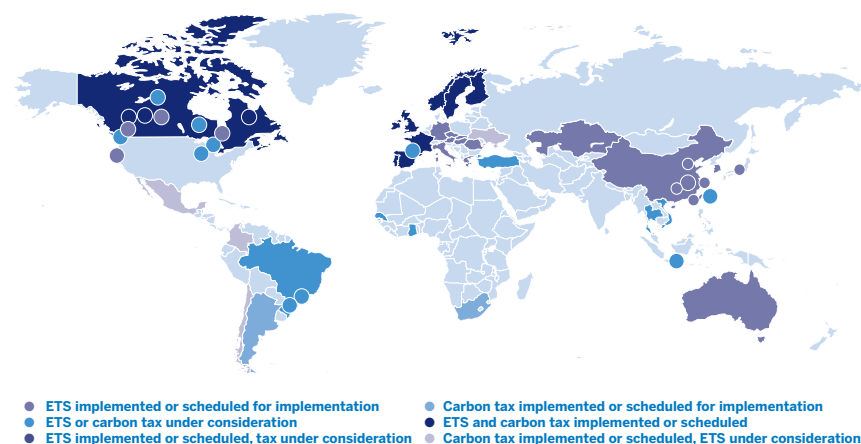
Carbon pricing techniques based on GHG protocols have evolved, allowing businesses or operations to use carbon offsetting mechanisms to become “carbon-neutral”.

A carbon credit¹² is a generic term for any tradable certificate or permit representing the right to emit one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas (CO₂e) which the recipient entity can take credit for. There are five exchanges trading in carbon allowances: the European Climate Exchange, NASDAQ OMX Commodities Europe, PowerNext, Commodity Exchange Bratislava and the European Energy Exchange.

Emissions by country in millions of tonnes



Regional, national and subnational carbon pricing initiatives



BARRIERS TO SUSTAINABILITY IN TRAVEL

While there are many advantages to sustainability, travel or procurement managers may encounter barriers.

FOCUS OF SUSTAINABILITY TEAMS

Until recently, sustainability initiatives have focused on direct emissions from core business activities (scope 1 and 2 emissions). Less attention has been paid to sustainable business travel, where most emissions are indirect (scope 3). As more organisations report indirect emissions, the barriers for implementing sustainable business travel have reduced.

LACK OF KNOW-HOW

While people are becoming more environmentally conscious, applying sustainability principles in business travel can be complicated. Business travel can be an emotional experience, as there are many moving parts from pre-trip to post-trip. For each stage of the journey, awareness of the company's travel policy and the green options available are key to reducing the environmental footprint.



COST OF GOING GREEN

Most travel managers and procurement professionals focus on reducing costs. Adding sustainability into the travel program may initially be perceived as an additional cost. For example, organisations need to factor in research and third party-advice in the process, particularly when selecting vendors or seeking certifications. However, choosing sustainable vendors can deliver cost savings. For example, some vendors can offer locally sourced materials, goods and service at a lower cost and lower environmental footprint.

There are also indirect costs of not going green, as investors and consumers scrutinise a company's green reputation more closely. There are also opportunity costs from not going green. For example, organisations can miss out on an opportunity to boost employee morale by allowing travellers to make a socially responsible contribution. As an example, assuming road travellers' towels are washed at 40 degrees Celsius and tumble-dried, then the carbon footprint is an average 2.4kg CO₂e¹³. This is one-tenth of the carbon dioxide a maturing tree can consume in a year¹⁴. By re-using their towels just ten times during business trips, a traveller can do the annual work of a tree in removing carbon from the atmosphere.

COMPETING PRIORITIES

The life of the travel buyer is not easy. They often wear many hats with responsibility for operations, traveller experience, traveller safety and achieving procurement goals. Becoming a sustainability champion may seem like an extra burden.

However, becoming a green champion can help a travel buyer differentiate themselves in their role in their organisation, while adding significant value to the business. Firstly, they make a direct contribution to the organisation achieving its sustainability goals. Secondly, they show leadership by driving a green agenda. Both of these are strategic ways an employee can invest in their personal career plan.

Communications plays a key role in this, as awareness campaigns and a savvy media strategy can put both individuals and the organisation on the road to sustainable success.

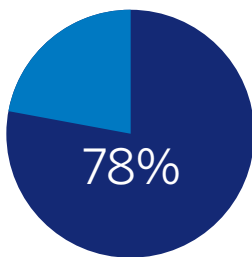
CURRENT STATE OF GREEN TRAVEL IN BUSINESS

In 2019, the Global Business Consulting team at American Express Global Business Travel conducted a survey of travel managers and procurement professionals from a range of industries.

53% of respondents were travel managers, 21% were procurement managers, 16% were executive management and 11% belonged to other functions who may have travel as part of their wider responsibilities. 90% of the respondents belonged to organisations with annual revenues over USD \$1 billion in total. The findings gave us valuable insights into what a green business travel program looks like for an average organisation and are set out below. In summary, we are seeing more organisations focus on carbon measurement and offsetting air travel. Other means of transport and accommodation however, are not being tracked.

26% of respondents include mandatory CSR questions in hotel RFPs, but only 16% factor these into hotel sourcing.

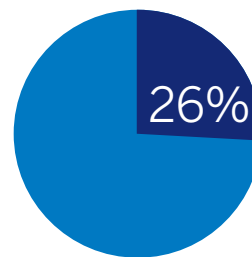
Significantly, just 12% of the respondents' policies included a carbon reduction perspective. This is concerning because a travel policy forms the backbone of a strong travel program. Little progress can be made in reaching sustainability goals if one of the main contributors (business travel) to carbon emissions is not measured or monitored.



POLICY & GOVERNANCE

78% of respondents admitted that the reduction of carbon footprint and GHG emissions is not addressed in their travel policy

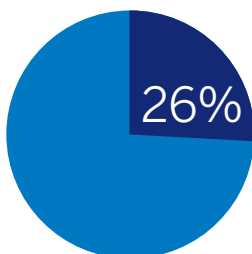
- 47% of respondents had a formal environmental sustainability policy in their organisations that they know of which covers indirect GHG emissions
- 58% of respondents were unsure of the frequency of the sustainability policy review conducted by the senior management team



GREEN SOURCING

Around 26% of respondents include mandatory CSR questions in their hotel RFPs

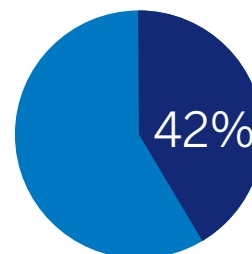
- 79% of respondents did not require their preferred airlines to possess an environmental certification
- 42% of respondents factor environmental sustainability in their air sourcing exercise, this proportion is lower for hotels at 16% and Car at 21%
- Only 11% advocate using rail over car as more eco-friendly



CARBON OFFSETTING

26% of respondents reduce their carbon emissions by using third party firms such as consulting and TMC partners

- 11% of respondents use services of a dedicated carbon offsetting organisation
- 11% of respondents also reduce their emissions directly with the airline by using their offsetting fees



CARBON MEASUREMENT

Only 42% of respondents measure carbon emissions from air travel

- For Rail, hotel and car, the proportion is significantly lower at 11%, 16% and 16% respectively.

JUMPSTART YOUR TRAVEL PROGRAM TO GO GREEN

Supported by a TMC with strong sustainability practices and expertise, an organisation can transform their business travel program to a greener travel program. Here are some helpful steps that can jumpstart a green travel program.

Audit your travel activity

ESTABLISH A BASELINE

- Develop and identify **targets and metrics** to track performance. They can be carbon emissions, energy consumption and carbon neutrality goals
- **Calculate your carbon footprint** in key regions and expand the scope to include other regions and all possible categories such as air, hotel, etc
- In affiliated categories, e.g. Meetings & Events and charter space, sustainability steps can be followed with a smaller amount of effort by using sustainability as a core theme and placing this upfront in participants minds

ANALYSE YOUR FOOTPRINT

- Review footprint and identify opportunities to travel smarter.
- Analyse city pairs, airlines, seat factor, class for refined footprint, and areas of opportunity

REVIEW POLICY & GOVERNANCE

- **Identify elements** in your business travel, travel and expense or sustainability policies where green business travel practices can be integrated and either mandates or recommendations can be laid out. Once these policy elements are identified, conversations on governance, change management and communications become easier
- **Identify the level of governance required.** Regular oversight from senior management of the progress of green travel policies can create organisational accountability for results
- **Identify the risks** and opportunity costs of not going green. In business travel, there could also be both physical risks, as well as the risk of losing traveller confidence

Create & implement your plan

DESIGN A COMMUNICATION PLAN

- **Identify the audience and stakeholders** to whom the sustainability best practices need to be communicated and buy-in sought, especially if a change in policy is required
- **Identify and implement content across all the channels** through which communication can effectively reach out to the target audience group. They can be social media platforms, employee trainings, e-mail banners, infographics etc

IMPLEMENT GREEN SOURCING

- Identify categories, evaluation criteria and questions for vendors such as airlines and hotels to source deals from sustainably conscious partners.
- Ensure that beside common quantifiable metrics, you also analyse the qualitative responses from airline and hotel partners

OFFSET RESIDUAL EMISSIONS

- Depending on the risks, governance levels and policy changes identified, a business organisation should decide if they want to voluntarily measure and publish their carbon footprints and environmental impact from business travel
- Investing in a carbon-offset program and funding projects to reduce greenhouse gas can significantly complement a company's green strategy and reporting
- Develop and identify **targets and metrics** to track performance. They can be carbon emissions, energy consumption, carbon neutrality goals, etc.
- Select offset projects that align with your company values and are reputable



THE ROLE OF TRAVEL MANAGEMENT COMPANIES

Travel Management Companies like GBT play a vital role in promoting sustainability across the entire business travel ecosystem.

We help clients track carbon emissions and provide standard and tailored reporting. GBT uses proprietary products and processes such as carbon emissions reporting, point-of-sale calculators, diagnostic analysis tools, and supplier scorecards. Our Global Business Consulting group helps clients craft policies that fit their corporate culture and raise environmental awareness to achieve emissions reduction goals.

GBT's strategic meetings management team consults with clients to identify ways to incorporate eco-conscious decisions into their meetings and events. During the sourcing process, we recommend locations and transport strategies to minimise greenhouse gas emissions from travel and reduce indirect emissions through choosing accommodations in energy-efficient hotels.

We also encourage the use of suppliers such as hotels and convention centers that have plans in place to reduce waste

and water usage. During the meeting planning process, we consult on additional ways to reduce waste such as eliminating water bottles, utilising reusable and electronic signage, and enlisting event mobile applications to provide access for participants to meeting materials. We also partner with venue food and beverage services to design menus using locally-sourced and organic products.

In 2017, GBT began offsetting a portion of its GHG emissions from business travel by purchasing carbon credits to support the Envira Amazonia Project. This project in the Brazilian State of Acre reduces emissions by directly protecting tropical rainforests in the Amazonian Basin from planned deforestation.

In keeping with this practice, GBT increased the amount of GHG emissions offset to 80% of 2018's business travel. Our goal is to offset 100% of our GHG emissions from business travel by 2020.

Need to know more?



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APPENDIX: ENVIRONMENTAL CERTIFICATIONS

Airlines	Hotels	Other Companies
ASIA		
• Sustainable Aviation Fuel Users Group (SAFUG) • Asia and Pacific Initiative to Reduce Emissions (ASPIRE) • United Nations International Civil Aviation Organization (ICAO) • Climate Care • The Gold Standard • IATA • Carbon Disclosure Project (CDP)	• Green Globe • Earth Check • Japan Environmentally Sustainable Accommodations International Standard (ESAIS) • Green Growth 2050	• ISO certifications • BEAM (HK) • LEED • SGP 2012 (SG) • CASBEE (JP) • Green Building Council • GreenRe (MY) • EDGE • WELL Building Standard • DJSI Asia Pacific Index • FTSE4Good-Index • Carbon Disclosure Project (CDP) • CarbonNeutral • Greenhouse Gas Protocol
INDIA		
• ISO 14001, ISO 14064 • IATA	• Green Building Council India • LEED • ISO 14000 • Environmental Management • Green Signal • Eco-March Scheme • Green Globe • Green Growth 2050	• ISO 14067 • AS 2050:2008 • LEED – Indian Green Building Council (IGBC) • The Green Rating for Integrated Habitat Assessment (GRIHA) • Carbon Disclosure Project (CDP) • Greenhouse Gas Protocol
PACIFIC		
• CORSIA • SAFUG • Asia and Pacific Initiative to Reduce Emissions (ASPIRE) • United Nations International Civil Aviation Organization (ICAO) • IATA • Carbon Disclosure Project (CDP)	• LEED • Green Travel • Earth Check • Ecotourism Australia • Green Globe • Green Growth 2050	• The National Carbon Offset Standard (the Standard) • Green Star (Australia) • LEED • Nabers (AU) • Green Building Council • WELL Building Standard • Carbon Disclosure Project (CDP)
AMERICAS		
• SAFUG • Airlines for America (A4A) • United Nations International Civil Aviation Organization (ICAO) • Less Emissions Inc. • Carbonfund.org • IATA • Carbon Disclosure Project (CDP)	• LEED • Green Lodge • Energy Star • Green Key Global • Green Globe • Earth Check • Green Seal • Green Growth 2050	• LEED • Green Globes • Green Building Council • WELL Building Standard • DJSI North America and United States Index • FTSE4Good-Index • Carbon Disclosure Project (CDP) • CarbonNeutral
EMEA		
• SAFUG • United Nations International Civil Aviation Organization (ICAO) • CO₂logic • The Gold Standard • IATA • Carbon Disclosure Project (CDP) • EASA (European Aviation Safety Agency)	• EU Ecolabel or EU Flower • ECOROOMS • RezHub • Eco Hotels Certified • BIO Hotels • The Green Good House Keeping Seal • Green Key • EU Energy Label • EarthCheck • Green Globe • Biosphere Responsible Tourism • LEED • European Ecotourism Labelling Standard (EETLS) • Green Tourism Business Scheme (GTBS) • Travellife • Green Growth 2050 • BREEAM	• LEED • ISO 14001 Environmental Management • BREEAM (UK) • Green Building Council • WELL Building Standard • DJSI Europe and Eurozone Index • FTSE4Good-Index • Carbon Disclosure Project (CDP) • CarbonNeutral