

# BTN

BUSINESS TRAVEL NEWS

April 26, 2021

# SUSTAINING THE FUTURE

## STATE OF THE PRACTICE IN REDUCING BUSINESS TRAVEL EMISSIONS

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# How Green Can Business Travel Get?

In BTN's Sustainable Business Travel Survey, we asked our respondents if they were 'personally concerned' about their company's carbon footprint. More than two-thirds of respondents said they were. I personally share that concern, but to be honest with you, I was skeptical. I was skeptical that the travel industry would—or could—commit itself to sustainable practices and survive from a business standpoint. I was also skeptical that commitments that had been announced would maintain traction in a world buffeted by economic uncertainty. The last time the industry turned toward sustainability in 2007, its resolve quickly washed away in the wake of economic turmoil.

After reporting on this special issue of BTN, I am more convinced that this time around the commitment to sustainable travel is fundamentally different.

A large part of my perspective has been shaped by talking to the corporate travel buyers and sustainability leaders, like you, and seeing how they are collaborating more than ever. Hearing the passion in their voices and watching those businesses come together collectively to push for a sustainable future for travel.

Just last week, several major companies announced the formation of the Sustainable Aviation Buyers Alliance to work with airlines and invest in the development of sustainable aviation fuel. Names like Microsoft, Salesforce, JPMorgan and others had signed on. United Airlines similarly announced its own coalition of partners working toward an SAF-fueled future, and numerous companies BTN interviewed were focused on the same.

While many were focused on SAF, sustainable hotel certification and the search for electric and hybrid transportation options, including a renewed focus on rail (even in North America? Yes.), were key pieces to a greener business travel future. And there's widespread acknowledgement that educating travelers and integrating emissions information throughout the travel process should drive better decision-making.

Of course, there's always the decision not to travel. And the fundamental changes to work and life brought on by the Covid-19 pandemic have revolutionized what companies view as the purpose of business travel and how much of it is needed. I believe business travel demand management will be a necessary lever in building a sustainable business travel future, I also believe that greener, more sustainable modalities will enable the industry to find a new equilibrium.



Enjoy this issue,

Editorial Director, The BTN Group

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We are doing our part to help make cities smarter, roads safer, traffic flow more efficient, driving more enjoyable and mobility more sustainable.

Stay Safe,

Beth Kinerk  
Senior Vice President, Sales  
Avis Budget Group



Dear Industry Partners,

As a global travel company, the discussion of sustainability can often be tricky. While the focus is typically on environmental impact, Expedia Group views our responsibility to sustainability in a broader sense. For several years, we have been committed to offsetting our entire employee impact

and implemented programs and policies to decrease our footprint. To truly make a difference, we need to go beyond our own actions and provide choices for consumers to act in the most responsible ways and include sustainability of communities in our commitment.

To this end, we adopted four pillars of sustainability: environment; disaster recovery, rebuilding and resiliency; community and economic development; and responsible travel. We partnered with UNESCO in a first-of-its-kind agreement and launched the UNESCO Sustainable Travel Pledge last year to provide education, tools, and accountability for the travel industry to continue to drive meaningful change, while keeping business objectives top of mind. This industry-leading effort will highlight what hotels and tour operators are doing to be more sustainable while encouraging all players, big and small, to sign a commitment and be held accountable. We're excited that Accor Hotels is the first large-chain hotel partner to sign the pledge.

We are beyond the days when governments and corporations are the only ones held responsible for action. Consumers can make a bigger impact through their own actions. We want to give travel managers tools, education, and information to pass onto their travelers so they can make the most informed decisions that match their comfort and values for their travel. Business travelers are in a unique position to inspire action that lessens the impact on the environment, and we're here to help them do it.

Read how you can achieve greener business travel on Page 31.

Sincerely,

Katherine Cheng  
Head of Global and Community Impact  
Expedia Group

# Hilton



Dear Business Travel Partners,

Since our founding more than 100 years ago, Hilton has been deeply committed to creating a positive impact in our communities and protecting the destinations where we operate. This founding principle lives on today through Travel with Purpose, Hilton's

Environmental, Social and Governance (ESG) strategy to drive responsible travel and tourism globally. Through Travel with Purpose, we have committed to double our investment in social impact and cut our environmental impact in half by 2030.

While we are proud of how our company is redefining responsible travel and tourism, we recognize that true success can only be realized through collective action. We know our B2B customers also have their own ESG priorities, and we want to help them achieve those aims. To do that, we use our proprietary LightStay system, which tracks our environmental and social impact across all of Hilton's properties, so we can share how our hotels are performing with our customers. Thanks to LightStay, we can give our B2B customers useful information on the environmental impact of their stays and provide suggestions on how to lessen their footprint.

As we look ahead, we know our industry has an opportunity to play an important role in supporting communities and ensuring they remain vibrant for generations yet to come. By working together we can all create a meaningful, positive impact for the people we serve and our planet.

Sincerely,

Kristin Campbell  
General Counsel & Chief ESG Officer  
Hilton

# UNITED FOR BUSINESS



Dear Travel Partner,

We're proud to sponsor the Business Travel News "Sustaining the Future: State of the Practice in Reducing Business Travel Emissions" issue and to support our collective goal of furthering sustainable practices in corporate travel.

We recognize the role we play as an airline in contributing to climate change and therefore our responsibility in solving it. True sustainability means taking on the biggest culprit in our industry – the emissions generated by our aircraft. That's why we have embraced a bold new goal: to be 100% green by reducing our greenhouse gas emissions 100% by 2050.

To achieve this goal, we're taking actions like continuing to invest significantly in sustainable aviation fuel; announcing our intention to invest in a start-up company that will use direct air capture technology to remove carbon dioxide from the air; and working with a leading urban air mobility company to accelerate production of advanced, short-haul electric aircraft. These are not easy solutions, but we want sustainability to be the new standard in flight, and we are committed to doing the right thing for the long term.

While I'm particularly proud of all we're doing at United to lead the way toward real solutions and lasting change, I'd like to celebrate the alignment we see across our industry to tackle these essential problems. By taking these critical steps now, we'll help ensure future generations will have a world to discover.

Doreen Burse  
Senior Vice President – Worldwide Sales  
United Airlines

# SUSTAINING THE FUTURE

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# Sustaining Business Travel

The state of the practice—from the sustainable travel vanguard to the rest of us.

More than 36 percent of companies surveyed for BTN's Sustainable Business Travel issue said their companies in the past 12 months had increased their public commitment to sustainable business practices. That's not to say all these companies committed to reducing business travel emissions, per se, but it shows awareness growing in the global business community around climate change realities—and the impact business practices have on carbon consumption rates and rising global temperatures.

Where travel practices fit into that mix will be different for every company. A consulting company, for example, might tie 80 percent or more of its carbon emissions to travel. Whereas a mining or energy company might set that number somewhere closer to 5 percent. Those differences alone will influence how travel practices are prioritized in terms of emissions reduction strategy—but a funny thing happened as Covid-19 forced nearly every company's attention toward its business travel practices.

At the bullseye of the pandemic, business travel was scrutinized from every angle. Safety—check. Cost—check. Travel patterns—check. Internal—check. Client-facing—check. Effectiveness—for sure. Half of survey respondents said their companies had increase focus on business travel emissions, even if they did not make actual commitments to reducing them.

As the travel shutdown morphed into a fundamental restructuring of corporate work

and life, now mediated by technology that kept people off the roads and out of the air, even stranger things began to happen. Lake waters became clearer; heavy smog and polluted air lifted over China. NASA began to track the phenomenon and found dramatic reduction in certain pollutants as measured by on-the-ground samples in cities around the world: Wuhan (60 percent reduction); Milan (60 percent reduction); New York (45 percent reduction).

Yet the return to “normal” life as the Covid-19 epidemic eased in China and other locations re-upped greenhouse gas emissions and has at times exceeded pre-pandemic levels. The challenge, as we all push toward renewed economic growth, is to find a prosperity strategy that doesn't pull us back into pre-pandemic emission rates. That won't be easy. But business leaders BTN spoke to agreed that Covid-19 pushed them to think about structural models that didn't exist prior to the pandemic and has accelerated a re-think around business processes and how to leave a smaller carbon footprint.

## SUSTAINABLE BUSINESS PRACTICES AREN'T ALL COVID-INDUCED

Sustainable business practice commitments have come in waves. The previous wave peaked in the early 2000s, but for many companies ebbed as the global economic downturn bore down on businesses in 2008. The Paris Climate Accord in 2015 again drew attention to the issue among government and business leaders.

The agreement, which grew to include 197 countries, committed participants to work together to fight climate change and defined a baseline goal of limiting global warming to “well below” 2 degrees Celsius compared to pre-industrial levels and to actively pursuing efforts that would limit the temperature increase further to 1.5C.

The climate accord hasn't escaped controversy, particularly in regard to U.S. participation. The Trump administration announced in 2017 its intention to pull the country out of the agreement. Due to safeguards built into the accord precisely to forestall what was considered uncertain U.S. commitment from the beginning, the country which emits 15 percent of global greenhouse gas emissions did not formally leave the accord until Nov. 4, 2020—ironically, the day after the U.S. election that determined a shift to a new administration. President Joe Biden rejoined the accord on Feb. 19, 2021, less than a month into his presidency and has made fighting climate change a central pillar of both his domestic and foreign policies. Global leaders now must grapple with how long that re-commitment will last in a polarized political climate.

For the business community, however, government commitment to the Paris Climate Accord notwithstanding, a reckoning regarding its contribution to climate change emerged in 2018 and 2019 fixed in the unflinching gaze of Swedish teen activist Greta Thunberg. Her one-person protests and eventual high-profile speeches at the United Nations

**METHODOLOGY**  
Business Travel News fielded the 2021 Sustainable Business Travel Survey to business travel buyers from Feb. 23 to Mar. 16, 2021. The survey returned 318 responses, with 226 from North America, 87 from Europe and 5 from Asia-Pacific.

inspired a social upheaval and massive environmental protests in cities around the globe. It pushed a particular indictment of the travel industry, coining the term “flygskam”—or shame in flying. BTN named Thunberg among the Most Influential People in Business Travel in 2019 for the focus she brought to environmental issues surrounding travel in general, but also to business travel and influencing how companies considered making business travel practices more sustainable.

### EARLY MOVERS

Microsoft was an early mover in the drive toward sustainable business travel practices. The technology giant has offset all business travel emissions since 2012, according to global director of travel, meetings and payment Eric Bailey. In 2019 the company joined a partnership with KLM to support sustainable aviation fuel production as a way to increased demand for and invest in the future of sustainable travel. The company has since signed a similar commitment with Alaska Airlines. Upon joining the KLM program, Bailey underscored the role corporations and powerful travel managers have in accelerating sustainability efforts in the travel industry.

“Small changes can have a big impact when it comes to climate change, especially when those changes are made by large global corporations,” he said in October 2019. “Today represents a step change, where we’re moving beyond our employee impact, towards using our influence to drive industry-wide shifts reducing air travel emissions.”

Several other companies joined the KLM program. In 2019, the airline had signed 14 organizations, including big corporate travel names like Accenture. In 2021, that participant number has inched up to 16, and other SAF efforts focused on business travel and corporate partnerships have also emerged.

United announced this month the Eco-Skies Alliance with initial participation from 11 corporate partners including Autodesk, BCG, CEVA Logistics, Deloitte, DHL, DSV, HP, Nike, Palantir, Siemens and Takeda Pharmaceuticals. The collective will help United purchase more than 3.4 million gallons of SAF this year. Another alliance announced last week by EMI and the Environmental Defense Fund is the Sustainable Aviation Fuel Alliance. The group will focus on standards, SAF emissions accounting and policy, and will additionally work on reducing barriers to innovation and achieving production at scale, as well as SAF certification and investment opportunities. Founding members of the alliance include Boeing, BCG, Deloitte, JPMorgan Chase, Microsoft, Netflix and Salesforce.

Investing in SAF, which has long been a focus for the airline industry, is just one way to reduce business travel emissions. There are more (see chart on p. 14).

### THE RACE TO ZERO: SCIENCE-BASED TARGETS & NET ZERO ANNOUNCEMENTS

Throughout 2020 and into 2021 companies have declared their commitment to science-based targets and achieving net zero emissions, often tied to the 2030 deadline set by the Paris Climate Accord. Again, first-mover businesses like German multinational manufacturing and automation company Siemens set the stage for these types of commitments back in 2015, but others have joined. Among them, the major global accounting firms, which are among the biggest spenders globally for business travel.

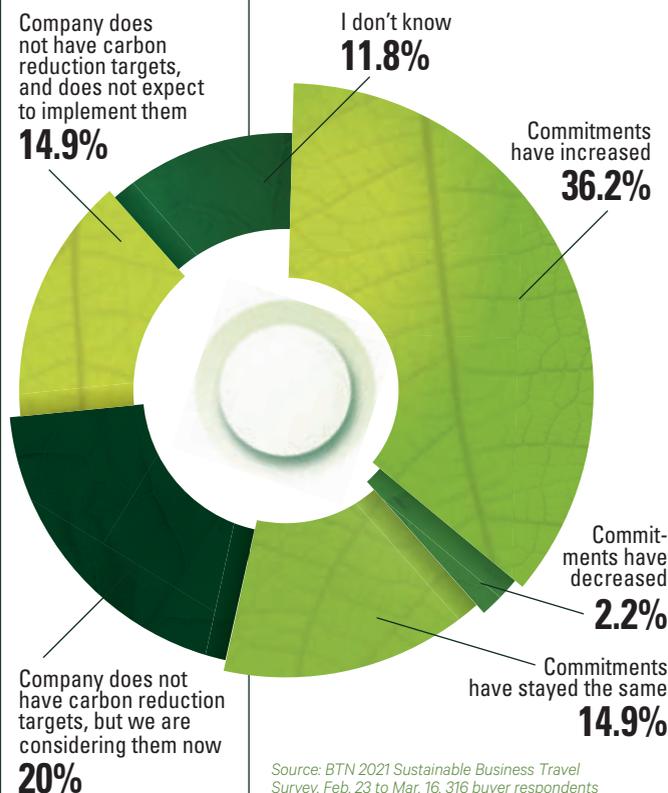
Accenture committed to a net zero emissions target in December 2018 and by October 2020 tied that target to a 2025 timeline. BCG announced its goal to be net zero by 2030 on Sep. 1, 2020. Deloitte and PwC followed that path just two weeks later each with its own declaration. EY, which had previ-

ously announced goals for carbon neutrality in 2020, declared its net zero ambitions in January 2021, with the same 2025 deadline as Accenture. McKinsey & Company joined the group in March this year.

Both Deloitte and McKinsey called out business travel in their emissions reduction targets publicly available at Science Based Targets ([www.sciencebasedtargets.org](http://www.sciencebasedtargets.org)), an initiative that assists companies in setting science-based greenhouse gas emissions reduction targets to achieve net zero goals. Deloitte’s targets include reducing scope 3 GHG emissions from business travel by 50 percent per full-time employee by 2030 from a 2019 base year. The firm additionally has committed to ensuring 67 percent of its business travel supplier partners will have science-based

### MORE THAN ONE-THIRD OF ORGS INCREASE PUBLIC COMMITMENT TO CARBON REDUCTION OVERALL

Has your company changed its overall carbon reduction targets (not just for travel) in the last 12 months?



targets by 2025. McKinsey has committed to reducing scope 3 GHG emissions from business travel by 30 percent per full-time employee by 2025.

Companies on the SBTi website have committed to GHG emissions reduction and they have 24 months to set science-based targets as evaluated against the SBTi criteria or they are removed from the registry. In 2018, just 100 companies had registered for the initiative. As of October 2020, there were more than 1,000 companies registered in 60 countries. Several companies BTN spoke to—Salesforce and Novo Nordisk are profiled in this issue—cited their commitment to science-based targets as evaluated by this initiative.

Yet the companies named above—and many that have signed up to science-based targets—can't yet be considered typical in their focus on sustainability. Rather, they are among the vanguard of corporations making the highest levels of commitments, undoubtedly out of sincere concern about climate change but also, for some, with a clear commercial upside that not every company can use to accelerate investment in sustainable practices.

But companies don't have to be on the vanguard to make a difference. Even the SBTi initiative recognizes this: Small and midsize companies can participate and have a simplified process for setting emissions reduction targets.

### REDUCING BUSINESS TRAVEL EMISSIONS IS A JOURNEY

Most companies begin their GHG emissions reduction efforts with a focus on Scope 1 and Scope 2, which are defined in order as 1) direct emissions from owned or controlled sources and 2) indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company, according to UK-based Carbon Trust. Scope 3 includes all other indirect emissions that occur in a

company's value chain—including business travel.

Companies with a large percentage of emissions tied to business travel—like the consulting and professional services companies cited above—might prioritize Scope 3 emissions reductions over other targets or run that priority simultaneously. One reason is that Scope 1 and Scope 2 emissions force businesses to look at their internal practices and not only the practices of their supply chains when it comes to reduction.

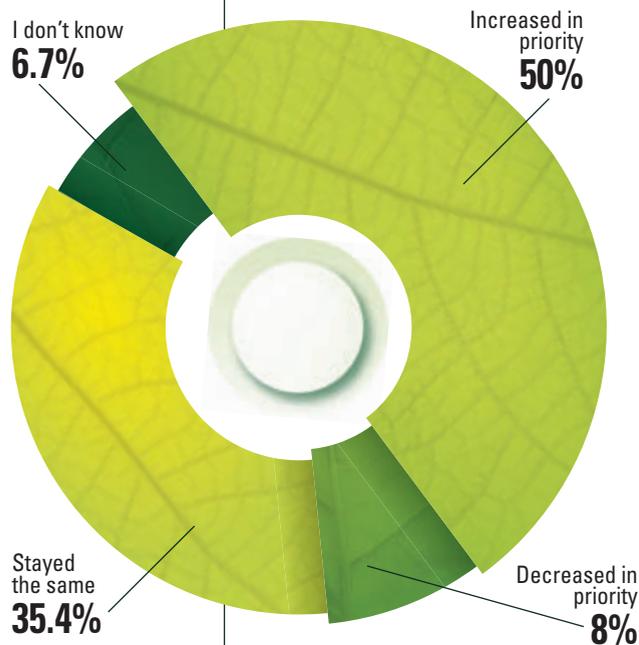
International law firm Hogan Lovells committed to science-based targets initiative in December 2020. Global travel manager David McDonald, who is just beginning the firm's journey toward sustainable business travel, pointed out it was important to get your own house in order first before reaching out to suppliers to contribute to the cause.

"We have started crafting a series of questions and requirements that we would add into RFPs and/or contracts to wrap rigor around some of our expectations," he said. But in terms of concrete conversations with suppliers, McDonald isn't there yet. "The one thing I find very important—and all of us at the firm agree—if we go to go out to our vendors and expect them to deliver against responsible business goals, we should know what we are doing ourselves and live in the same spirit of what we expect from suppliers. Will we be fully mature? Doubtful. But we need to know how we will measure and manage."

This attitude was quite different from one registered by a leading U.S.-based buyer who spoke with BTN at an advisory meeting in mid-2019. She indicated her sustainable business travel strategy would rely almost totally on pushing suppliers to pass along their GHG emissions reduction bona fides and to deliver more sustainable services. She characterized the process as a "checkbox" exercise that would enable her CEO to create talking points for investor meetings. Plenty

### HALF OF ORGS PLACE HIGHER PRIORITY ON TRAVEL SUSTAINABILITY

Has the priority for travel sustainability issues changed for your organization in the past 12 months?



Source: BTN 2021 Sustainable Business Travel Survey, Feb. 23 to Mar. 16, 315 buyer respondents

of companies are still at that point, 11 percent according to BTN's survey (more than 20 percent who say they are tasked with reducing travel don't ask for any supplier information). That said, her company at the time had no sustainability-focused leadership so any efforts towards establishing sustainable travel practices were hers alone to manage—perhaps in cooperation with her travel management company if that assistance could be prioritized in the budget.

In canvassing several travel buyers for this issue, it became clear that executive-level commitment to mitigating climate change was the foundation for an effective sustainable business travel strategy. Collaboration between business travel and a sustainability leader who would help define strategy and contribute to decision-making around effective projects to pursue provided travel program managers with the scaffolding

# Hilton

## WHY CHANGE THE WORLD?



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folding required to make dramatic changes to their programs. That said, nearly half of travel buyers who participated in the BTN survey had not been formally tasked with either assessing or mitigating carbon emissions associated with business travel.

Still, 71 percent of buyers said they were personally concerned about their company's carbon footprint from travel. Several buyers in this category said they were doing what they could to mitigate that footprint—even without leadership support.

Demand management will be a key pillar for travel programs moving forward, as confirmed by several surveys BTN has conducted over the past year, and the recent sustainability survey was no exception. Nearly three-quarters of buyers said they would shift some portion of business travel to virtual meetings—with or without a mandate to reduce carbon footprint. Others working solo on carbon reduction had more specific carbon mitigation efforts on the books. A procurement manager at a U.S.-based international law firm, who previously worked at an alternative fuel company, created a rail program for travel within the Northeast Corridor to divert travelers from emissions-intensive short-haul flights “and frankly give them more convenient options,” he said. These types of one-off projects count toward total emissions reductions, so when opportunities arise, travel buyers shouldn't be afraid to take them, even if they aren't formally credited as a sustainability move.

Sometimes, however, it pays to think bigger, even without a direct mandate to do so. FLSmidth global travel manager Meret Minnet is taking this approach. While the Denmark-based multinational engineering company has signed on to science-based targets to reduce GHG emissions, business travel isn't anywhere on the radar for those efforts.

“Ninety-six percent of our emis-

sions come from our customers,” she said of the company's work providing solutions to cement and mining plants, which are particularly emissions intense industries. “So getting to zero emissions will come from providing better solutions to customers and Scope 3 becomes a much lower priority. But I'm still working on it and looking into it.”

The reason, she said, is because she wants to be prepared. Given that her company has pledged emissions reductions, she believes leadership will come knocking eventually for her to contribute to the cause. “One day they will come to me and say, ‘We need zero emissions when we fly.’ I need to be able to say, ‘Yeah, we can do that if we do this, this and this. And it will cost this. So how do you want to do it?’”

Minnet already has had a handful of travelers come to her to ask about offsetting carbon emissions for flights or about the ability to take a direct flight instead of a connecting one to save on emissions. And though the company still isn't traveling much because of Covid-19 risks, she's aware her current key performance indicators are not aligned to support sustainable travel options.

“The direct flight from Copenhagen to New York is 15,000 kroner. But with the stopover in Germany or the UK, it's only 5,000 kroner. If the travel program is only measured on savings, then I won't be able to meet those targets.”

Carbon consumption is featured in the company's Egenzia booking tool, so she knows she will need to respond to inquiries from travelers when the company begins traveling again in earnest. She and her Egenzia account managers are modeling different scenarios to understand different options—including the option to disable that feature until FLSmidth is ready.

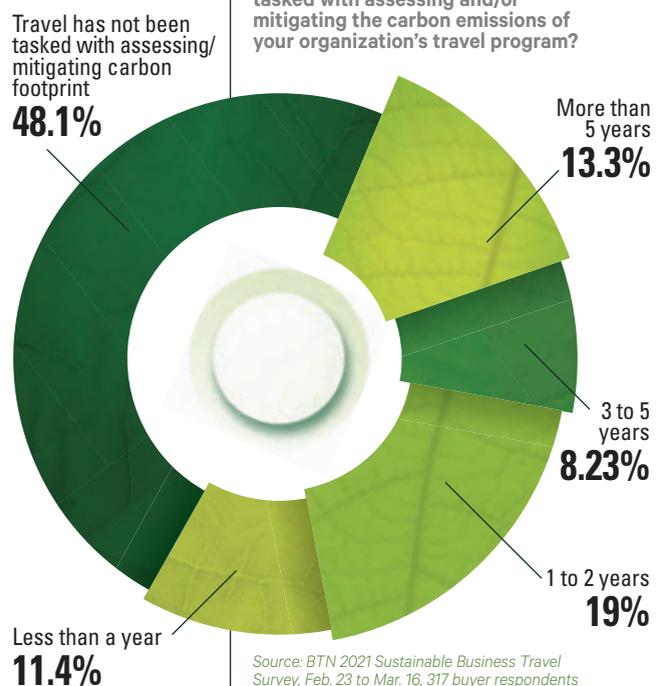
“We're looking at our top city pairs out of Denmark and other countries and looking at the difference in both price and carbon emissions on direct flights and the stopover options. Currently, our policy is to

take the stopover if it's less than a four-hour difference. I want to know the cost and the emissions savings to understand what would happen if we changed that policy. Then, I could send that model to management. Nothing is free.”

She's also looking at hotel partners to understand if any of them have sustainability initiatives. She said it's not likely because FLSmidth locations tend to be outside of city centers and their top hotels aren't always the big brands. “Those are the hotels that will have sustainable options first, but those aren't generally the ones available in our locations. Do I put travelers in a hotel farther away because it's sustainable and then make them drive or take Uber, adding a commute? Does it have to be Uber Green?” she asked. The calculus gets complicated.

She has also considered what happens if she takes certain options out of the booking tool entirely—non-sustainable hotels or flights that are less sustainable

**EXECUTIVE AWARENESS OF TRAVEL EMISSIONS**  
For how long have you been officially tasked with assessing and/or mitigating the carbon emissions of your organization's travel program?



Source: BTN 2021 Sustainable Business Travel Survey, Feb. 23 to Mar. 16, 317 buyer respondents



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For more information, visit [avisbudgetgroup.com](https://www.avisbudgetgroup.com).

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than the same route on another airline. “Right now, I have nearly 100 percent compliance on flights in my booking tool. I don’t want to make changes that would sacrifice that,” she said. Her TMC partner is working with her to understand these implications and

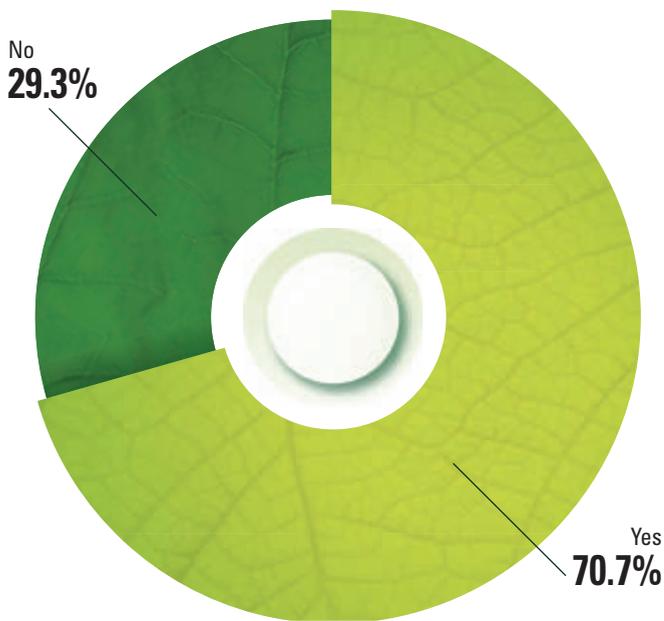
create sustainability scenarios that are, well, sustainable.

**MORE TMCS GETTING ON BOARD**

Egencia head of associate client services Virginie Pouget said Minnet is not alone—that many

**TRAVEL MANAGERS VOICE CONCERNS**

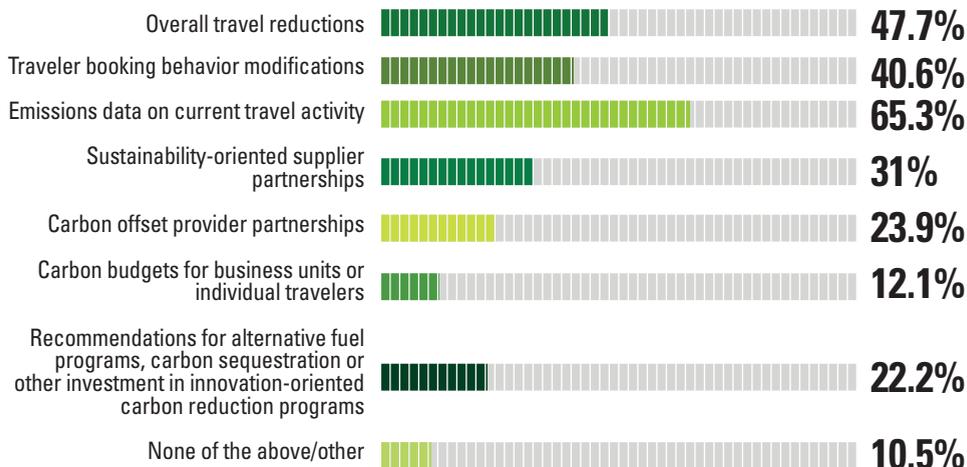
Are you personally concerned with your company’s carbon footprint from travel?



Source: BTN 2021 Sustainable Business Travel Survey, Feb. 23 to Mar. 16, 318 buyer respondents

**HOW TRAVEL MANAGERS MEET TARGETS**

As a travel manager, what have you been tasked with delivering or managing to meet carbon emissions reduction targets?



Source: BTN 2021 Sustainable Business Travel Survey, Feb. 23 to Mar. 16, 240 buyer respondents

companies are at the same stage in the process.

“Our customers are incredibly interested in the insights and data gathered on their current travel programs and how they can reshape them to be more sustainable,” Pouget said. “Collecting the data is one aspect but providing clear insights and next steps for the business can be difficult. Egencia’s Analytics Studio intuitively brings data together making it a lot more digestible and easy-to-understand for businesses. The platform also highlights CO2 emissions in response to travel options and journeys. This data, especially right now, is what business leaders want to see and act on quickly.”

Nearly seventy percent of the respondents to BTN’s survey relied on their travel management companies and booking tool partners to provide the data and decision-making support required to plan for sustainable travel. Direct engagement with travel suppliers or carbon offsetting companies were much less frequent, at this point, leveraged by about 31 percent and 20 percent of survey respondents, respectively.

TMCs are clearly aware of the shift to sustainable travel practices and are ramping up their own credentials in the space to capture and deepen relationships with corporates.

American Express Global Business Travel pledged last year to become carbon neutral. The company expanded that initiative to clients this year, offering preferred terms for carbon offsetting projects through Carbonfund.org Foundation and Carbon Footprint. The company’s Neo booking tool has redesigned its sustainability filters.

BCD announced last week that it was the first TMC to sign onto the Science Based Targets initiative, though an initial search on the SBTi website did not turn up results it could simply take time to be listed. The company’s Advito consulting division has received ISO certification for its Gate4

emissions scale, which assists customers in tracking emissions across air, hotel, rail and car modalities to gain a holistic emissions picture of their respective travel programs. The company also touts its SolutionsSource partners in helping clients to mitigate business travel emissions.

New entrants like TripActions and TravelPerk are also getting into the game with emissions calculators and sustainability filters within their booking platforms. And startups, certainly, are gaining traction here as well.

It will be interesting to see how traditional TMCs build commercial models around sustainable travel, when recommending that companies not travel becomes as important as recommending that they do.

### CHANGING THE WORLD

TravelHorst Sustainable Business Travel Consulting founder Horst Bayer is eager to see the larger industry develop its expertise in sustainability and truly understand the opportunities for science-based transformation.

“The industry has to rethink everything,” he said. “We need standards and we need better science to help us make airlines and hotels more sustainable.” What he doesn’t want to see is a business travel industry that stops traveling. As some companies tout extreme ambitions with technology alternatives to business travel, even Bayer has taken a pause.

“We are starting at zero [given the pandemic], and we don’t need to go back to 100 percent of our travel,” he said. “I do think that companies now are at a point where they see they have made it a year with no travel, but now even I am saying ‘travel is important.’ I see people, my industry colleagues, losing their jobs. I know that travel is important to the economy. Traveling is important to our businesses and to our business relationships. So we have to understand that

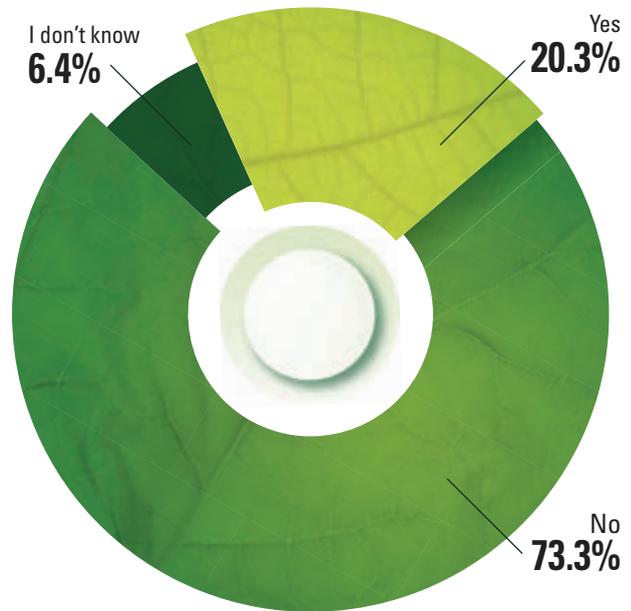
this is about a balance. It’s people, planet, profit. And we have to work in that order.”

Rather than halting travel, he said, corporate partnerships and travel managers should prepare to play a huge role in changing the travel industry, he said,

because demand for sustainable solutions will catalyze innovation. “They do need to demand that their suppliers provide solutions and verifiably sustainable products to business travelers. They have that power, and they should use it.”

### IMPACT OF SUSTAINABILITY ON TRAVEL POLICY GOALS

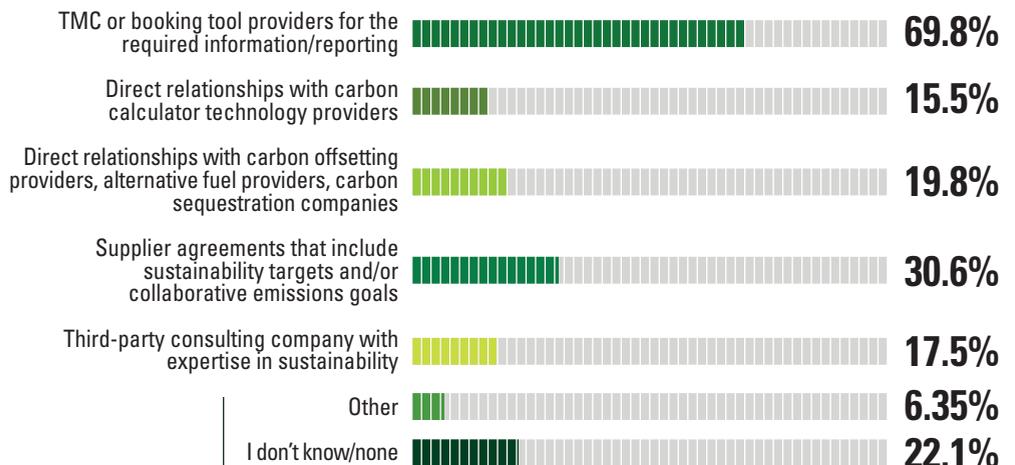
Has your company changed any travel approval thresholds or travel policies to deliver on those expectations?



Source: BTN 2021 Sustainable Business Travel Survey, 252 buyer respondents

### PARTNERSHIPS THAT DRIVE EMISSIONS REDUCTION

What types of partners do you work with to deliver on sustainable travel expectations?



Source: BTN 2021 Sustainable Business Travel Survey, 253 buyer respondents

# Airlines Chart Long, Uncertain—But Feasible—Path to Sustainable Air Travel

In addressing the carbon impact of a corporate travel program, air travel is the proverbial low-hanging fruit, but picking and preparing it is no easy task.

Compared with other segments of a corporate travel program, it's relatively easy for a company to measure the carbon impact of their air travel. A flight, unlike a hotel stay, has a fairly straightforward carbon footprint, and companies usually have a comparably clear window to the number and types of flights their employees are taking.

"Airlines are the easiest to measure, the easiest to scrutinize and the hardest to decarbonize," Delta Air Lines managing director of sustainability Amelia DeLuca said.

In the larger global climate debate, airlines have emerged as a key target. Airlines account for roughly 2 percent of global greenhouse emissions around the world, and without solid mitigation efforts, that percentage could triple over the next 30 years, according to the United Nations' International Civil Aviation Organization. As such, the term "flight shaming" has been popping up more in recent years, challenging people to examine their own carbon impact in the number of flights they take for personal and business travel.

## SETTING FEASIBLE GOALS

Keenly aware of the increasing scrutiny of their environmental impact, airlines are setting their own timetables to reduce their carbon footprints. In 2016, ICAO adopted the Carbon Offsetting and Reduction Scheme for International Aviation, in which airlines agreed to maintain carbon-neutral growth in international flights—which account for a vast majority of airline carbon emissions overall—beyond 2020. The airline industry also has been working toward a goal of halving net emissions from 2005 levels by 2050.

Individual airlines are setting their own goalposts beyond CORSIA. Delta last year committed to carbon neutrality, pledging an investment of \$1 billion over the next decade to mitigate emissions from its business, and it also has voluntarily decided to cap its emissions at 2012 levels, DeLuca said. United Airlines late last year pledged a 100 percent reduction in greenhouse gas emissions by 2050. American Airlines, along with other airlines in the Oneworld alliance, have pledged to reach net zero carbon emission by 2050.

"We know it will be a challenge, and it starts with reducing emissions in our own business," American Airlines managing director and head of environ-



What [the ATAG report] showed was recognition for the first time that, as a global industry, there is a feasible pathway toward net zero. There are a number of different pathways."

ATAG  
Executive Director  
Michael Gill

mental, social and corporate governance Jill Blickstein said. "We've had a significant focus on our operations."

It's easy to be skeptical of such lofty goals, especially those stretching almost 30 years into the future. The aviation industry coalition Air Transport Action Group last September released a report detailing the technological advancements—and government cooperation—that will be necessary to reach them. It will be daunting, but not impossible, the group's executive director Michael Gill said.

"What it showed was recognition for the first time that, as a global industry, there is a feasible pathway toward net zero," he said. "There are a number of different pathways, through a combination of operation measures, air traffic management improvements, new aircraft technology and sustainable fuel."

## MOVING BEYOND CARBON OFFSETS

Today, carbon offsets are a central component of airlines' carbon neutrality plans. Last July, JetBlue began offsetting carbon emissions from jet fuel on all its domestic flights, and Delta's plans for carbon neutrality includes addressing 13 million metric tons of emissions from March through December

# United Airlines

**United's bold environmental commitment is unmatched by any airline. 100% green. Carbon neutral by 2050. Without offsets.**

At United, we've committed to fight climate change by pledging to become 100% green by reducing our greenhouse gas emissions by 100% by 2050. We see two paths leading to a solution — sustainable aviation fuels and investing in emerging technologies — and we're committed to leading the rest of the industry down each path. We recognize the role we play as an airline in contributing to climate change and therefore our responsibility in solving it. We want to lead our industry and collaborate with other industries toward real solutions and lasting change.

## Our Path to Decarbonization

True sustainability is about taking on the biggest culprit in our industry — aircraft emissions. Unlike other airlines, we're looking beyond using carbon offsets and tackling emissions at their source by continuing and accelerating development and investment in:

### Sustainable Aviation Fuel

Sustainable aviation fuel (SAF) is made from renewable resources and waste byproducts and has up to 80% fewer carbon emissions than conventional jet fuel, making it the fastest and most effective way we are reducing emissions across our fleet. We have invested heavily in SAF for more than a decade now, and we hold nearly half the world's publicly announced future SAF commitments.

### Direct Air Capture

Carbon capture and sequestration is widely viewed by scientists as a necessary step to limit climate change. We intend to make a multimillion-dollar investment in a startup that will help fund the first Direct Air Capture plant in the U.S. This is a technology that captures carbon dioxide directly from the air so it can be buried deep underground or reused. Capturing and sequestering carbon



is similar to what trees do as they photosynthesize but at greater scale, because one Direct Air Capture facility is expected to capture and permanently sequester one million tons of CO<sub>2</sub> annually, the equivalent of 40 million trees.

## Embracing Emerging Technologies

As part of our vision to make sustainability the new standard in flight, United will also look at ways to support emerging technologies, as we've already done with our agreement to work with a leading urban air mobility company. We'll lend our expertise when and where we can, just as we're doing to help accelerate production of new electric vertical takeoff and landing aircraft that have the potential for future use as an 'air taxi' in urban markets. This is just one example of our commitment to identify and invest in innovative technology that can reduce carbon emissions while also improving the customer experience.

## Recognized as a Leader in Sustainability

Our award-winning Eco-Skies program represents a commitment to the environment and actions taken every day to create a more sustainable future. Beyond just fuel efficiency, to incorporating sustainable products and fuel sources, we've been serious about reducing emissions and improving our sustainability of our products for decades. The Carbon Disclosure Project named United as the only airline to its 2020 'A List' for our actions to cut emissions, mitigate climate risks and develop the low-carbon economy — our seventh consecutive year with the highest CDP score among U.S. airlines.

Climate change affects us all. Now is the time to double down on big commitments that really change the world. This is our chance to make a difference that will last for generations to come.



Learn more at [united.com/ecoskies](https://united.com/ecoskies)

of last year via offsets. The carrier is focusing on “high-quality” offset projects centrally focused on protecting forests, DeLuca said.

“They are the only real solution in the marketplace right now, and there is real evidence they have a clear impact,” Delta CEO Ed Bastian said in the carrier’s most recent earnings call.

An airline or corporate program could technically report as carbon neutral through offsets alone if they are willing to make the expenditure, but more will be needed in the long term, particularly if an organization was still increasing its base emissions even as they offset them all. As the number of quality carbon offset programs is finite, they cannot continue to account for growing emission levels.

“Offsetting is going to be necessary in the midterm to straighten out the curve, but if you look at 2050, I can’t believe that offsetting is still going to be a central pillar of actions by then,” Gill said.

Carbon capture technology, which directly removes carbon dioxide from the atmosphere, is one pathway. United Airlines in December announced it would be making a multimillion-dollar investment in 1PointFive, a partnership that is building an industrial-sized plant that could sequester 1 million tons of carbon dioxide—an amount that would take 40 million trees to replicate—and permanently store it underground. United CEO Scott Kirby at the time said the investment showed a shift away from the “easy path” of carbon offsets and that it was part of United’s pledge to be “100 percent green” rather than just “net zero” with carbon emissions by 2050.

It will require investment and research for carbon capture to be feasible for widespread use. “We know it can work, but it’s extremely expensive,” Gill said.

### GREENER AIRCRAFT

Aircraft investment will be a critical component as well. Carriers investing in fleet renewal plans, retiring older aircraft in favor of newer, more fuel efficient aircraft, are reporting significant emissions reductions.

American, for example, has invested about \$23 billion for 550 new aircraft since 2013 as a part of an extensive fleet renewal program. Each new generation of aircraft comes with a targeted fuel efficiency improvement of 10 percent to 15 percent, according to American.

If there is any silver lining to the pandemic for the airline industry, it enabled carriers to accelerate those fleet renewal programs and retire older aircraft types more quickly as they slashed capacity. Delta retired about 200 older aircraft, which improved fuel efficiency per seat mile by about 6 percent, DeLuca said.

Electric aircraft could handle a lot of regional routes in the not-too-distant future, American’s Blickstein said.

In February, United announced a partnership with air mobility company Archer Aviation to develop and eventually use electric-powered aircraft as “air taxis” for urban markets. With current technology, such aircraft to travel distances up to 60 miles, and United said they could be in use within five years.

Looking even further out, Airbus, in September revealed concepts for zero-emission commercial aircraft, relying on hydrogen rather than jet fuel as their primary power source, which it said could be ready for commercial service by 2035.

“What we are doing is preparing for a world where we can fly with no impact on the climate, and we are extremely excited about making our contribution,” Glenn Llewellyn, Airbus’ VP of zero-emission aircraft said in a recent CAPA Live virtual conference.

### SUSTAINABLE FUEL ATTRACTING INVESTMENT

Using hydrogen fuel cell technology as a primary aircraft fuel is “clearly a challenge” to overcome, and while it has “huge versatility,” it still is only part of the solution, Llewellyn said. One of Airbus’ concepts is capable of transcontinental travel, with an estimated range of about 2,000 nautical miles, but that still leaves out long-haul international travel, which accounts for the majority of global emissions.

That makes investment in sustainable aviation fuel a critical component of airlines’ climate goals, Air France CEO Anne Rigail said during the CAPA Live event.

“Long-haul will be the last limit to achieve, so that’s why sustainable fuel is not only a transition action plan,” she said. “When we look at the 2050 goal, we know that current aircraft can be used with 100 percent sustainable fuel, so we have to put investment and focus on sustainable fuel.”

In itself, sustainable aircraft fuel is not a new development. Neste, which produces a sustainable aviation fuel that reduces emissions by 80 percent compared with fossil fuels, started providing fuel to Lufthansa more than a decade ago to show that flying with sustainable fuel was possible, Neste EVP of renewable aviation Thorsten Lange said at the CAPA event.

The fuel, however, remains prohibitively expensive and scarce for widespread use at the moment. In the Netherlands, for example, Neste has a process to recycle cooking oil used by McDonald’s to cook fries into renewable diesel, but just the logistics of getting the oil from the eateries are complicated, he said.

“It’s really cumbersome and complicated to collect waste and residue, and it is costly not



“When we look at the 2050 goal, we know that current aircraft can be used with 100 percent sustainable fuel, so we have to put investment and focus on sustainable fuel.”

**Air France CEO  
Anne Rigail**

only to collect, but also to treat,” Lange said.

While airlines are making investments in the fuel, corporations aiming to reduce their own carbon footprints are playing an increasing role in this area as well. Deloitte this year announced agreements with both Delta and American to buy sustainable fuel to offset its travel to both carriers. Microsoft has reached agreements with both Alaska Airlines and KLM to buy sustainable fuel credits to offset its travel with those carriers. United in recent weeks announced an alliance of more than a dozen of its corporate customers to collectively help United buy about 3.4 million gallons of sustainable aviation fuel this year.

Such agreements not only provide the direct benefit of sustainable fuel use but also help propel future investment and development, according to Lange. “Corporate customers will be able to accelerate the market development of what they’re doing by sending a clear signal to airlines and producers with their activities,” he said.

#### **BUILDING PUBLIC SUPPORT**

Governmental support is another critical component of a zero-emission future for the airline industry. Some of that comes from supporting initiatives directly. U.S. President Joe Biden’s tax proposal, for example, could potentially include tax credits for using sustainable aviation fuels, boosting their use, American’s Blickstein said.

Governments also play a key role in operational efficiency, such as investing in air traffic control technology that reduces the time that airlines are stuck on runways or in holding patterns, burning unnecessary fuel. There are other operational opportunities, such as a “Fello’Fly” project by Airbus, supported by European air navigation entity



**“Corporate customers will be able to accelerate the market development of what they’re doing by sending a clear signal to airlines and producers with their activities.”**

**Neste EVP  
Thorsten Lange**

Eurocontrol, in which airlines are sent out in groups to use one another’s wakes, which reduces fuel burning, Eurocontrol director Eamonn Brennan said at the CAPA event.

Here is where the corporate travel community also can play a role via advocacy, making the views of their own travelers clear to elected officials. Delta’s DeLuca said in her own personal discussions with business trav-

eler friends, sustainability now comes up as the most frequent topic—even more than the trite topic of airline food.

“No one will want to have to choose not to travel because it’s not a sustainable activity,” she said. “We need action now, really focused on balancing near-term solutions with long-term technology, so the generation that comes won’t have to make that choice.” ■

## **SUSTAINABLE AVIATION FUEL INITIATIVES IN FOCUS**

With the potential to cut emissions by up to 80 percent, sustainable aviation fuel will be a key component of the airline industry’s path to zero emissions. While only capable of fueling a small fragment of air travel today, due to high costs and production limitations, airlines have been reporting large investments in recent years to increase production and use. Here’s a sampling of what the Big Three in the U.S. and Europe have been doing:

- **Air France-KLM:** Among the founders of SAF supplier SkyNRG, which has supplied fuel for all KLM flights from Los Angeles since 2016 as well as flights out of Amsterdam; in 2019, committed to buying 75,000 tons of SAF each year
- **American Airlines:** Began taking delivery of SAF at San Francisco International Airport last summer and has committed to delivery of 9 million gallons of sustainable aviation fuel over the next three years
- **Delta Air Lines:** Recently announced SAF agreement with supplier Neste; in 2019, announced a long-term agreement to buy up to 10 million gallons of biofuel per year from Gevo
- **International Airlines Group:** Committed \$400 million over the next 20 years in sustainable aviation fuel development; partnered with Velocys and Shell for first commercial plant in Europe that converts household waste into jet fuel, expected to be operational by 2024
- **Lufthansa Group:** Has announced partnerships with SAF producers in Germany and Switzerland as well as projects in Australia and Dubai involving the production of green hydrogen, a critical component of power-to-liquid kerosene fuel
- **United Airlines:** Pledged \$40 million toward development of sustainable fuels in 2019 as well as an agreement to purchase up to 10 million gallons of biofuel through the end of this year; began using SAF out of Los Angeles in 2016

# Corporations Increase Demand for Hotel Sustainability Data

Lack of industry standard poses a difficult challenge

Multiple lodging companies told BTN that the number of corporate travel buyer requests for hotel sustainability information has soared in the past year. A few years ago, Marriott International had requests from about 20 customers for their carbon footprint with the hotel operator, said Marriott VP of sustainability and supplier diversity Denise Naguib. By 2020, it was at 100. “In the last year, during the pandemic when no one was traveling, that number has almost tripled,” she said.

Hilton Worldwide and IHG Hotels & Resorts also reported an uptick in requests from corporations for sustainability information, and what is asked for depends on where their clients are on their own sustainability paths. Questions range from what their carbon footprint is for stays to how a hotel reduces its food waste to corporate social responsibility practices, including diversity, modern slavery and anti-human trafficking efforts.

Most queries, though, still focus on the E aspect of ESG—environment, social and governance, said IHG VP of global corporate responsibility Catherine Dolton. “But we are starting to get that wider focus on the S of ESG now as well.”

Some buyers also want to know how to incentivize their travelers to be greener. “A lot of corporations today aren’t necessarily mandating their travelers stay with greener hotels, but they want to encourage that behavior,” Dolton said.

Marriott’s Naguib agreed, adding

that buyers have asked how to flag hotels that have certifications or have carbon and water data in their booking tools. “Some are force-ranking those hotels to the top of the list, ahead of price,” she said.

## LACK OF GLOBAL STANDARD IS A CHALLENGE

Buyers BTN spoke with confirmed their sustainability needs vary, but one item rang clear: The biggest challenge is the lack of an industry standard on what a “green” hotel really means. There are dozens of green hotel labels around the globe, but all measure different elements of a hotel’s operations.

Further, “it is hard to ask hotels to come up with metrics,” said Hogan Lovell global travel manager David McDonald. “I’m not sure I would believe them. I don’t think there would be impropriety, but we need an agnostic industry resource. An equivalent of ISO certifications ... an independent body solely tasked with the measurement of the industry as a whole, published yearly, and providing a ranking score.”

In terms of making buying decisions, “it makes it difficult because there isn’t a set of standards that we can work to that would enable us to differentiate one [hotel] from another,” said PwC global business services and travel leader Mark Avery, whose company announced last year that as a firm, they were moving to net zero greenhouse gas emissions by 2030.

To compensate for a lack of a standard, Avery first asks hotels if they participate in the Hotel Carbon



“At the moment it’s not appropriate to say we would not put a hotel in just because it didn’t have sustainability information. ... Sometimes we are in locations where we don’t have a choice. You have to be realistic.”

PwC’s  
Mark Avery

Measurement Initiative, a free tool for hotels to calculate the carbon footprint per occupied room on a daily basis and on the area of meeting space on an hourly basis. It was created in 2012 by the Sustainable Hospitality Alliance (formerly the International Tourism Partnership) and the World Travel & Tourism Council in collaboration with 23 leading global hospitality companies. Its counterpart is the Hotel Water Measurement Initiative, used to calculate water usage in a hotel.

About 25,000 hotels globally use HCMi and about 18,000 use HWMI, according to the SHA website. Per STR, there are 216,724 hotels around the world, defined as having 10 or more rooms, being open to the public and generating nightly income. That leaves a lot of properties not using these measurements.

Avery covers the UK region for PwC. He uses the UK Department of Environment, Food and Rural Affairs hotel emission factors, but he said they cover only about 30 markets. “We’ve chosen to estimate other territories based on the various factors of the countries they have put a multiplier on so we can capture and report our Scope 3 emissions,” he said. This involves looking at the DEFRA multipliers and associating the type of location, typical climate, the kind of facilities the hotel has, and then estimating a multiplier per room night per country.

In addition, Avery furnishes key providers with information on PwC’s expectations and asks them to sign on to that level of provision and have science-based targets set. “We look

# Hilton

At Hilton, success is linked to their ability to operate and grow sustainably. As one of the world's largest hotel companies, they recognize the company's responsibility to protect communities and the planet. Travel with Purpose is Hilton's Environmental, Social, and Governance (ESG) strategy to drive responsible travel and tourism globally. Hilton is so focused on this, that they have committed to double their investment in social impact and cut their environmental impact in half by 2030. These overarching **Travel with Purpose 2030 Goals** are underpinned by targets that closely align with the global Sustainable Development Goals adopted by the United Nations in 2015.

Hilton activates Travel with Purpose across their hotel operations, supply chain, and in the communities where they operate. Here's how:

## Operations

Hilton engages Team Members, owners, and business partners to advance their positive impact and preserve resources in hotels around the world. Hilton does this by:

- Preserving resources by reducing carbon emissions, water, and waste
- Adopting global best practice standards for sustainability management, including aligning with the requirements for ISO 14001 (Environmental Management), ISO 50001 (Energy Management) and the Global Sustainable Tourism Council (GSTC)
- Engaging and training Team Members on environmental and social issues

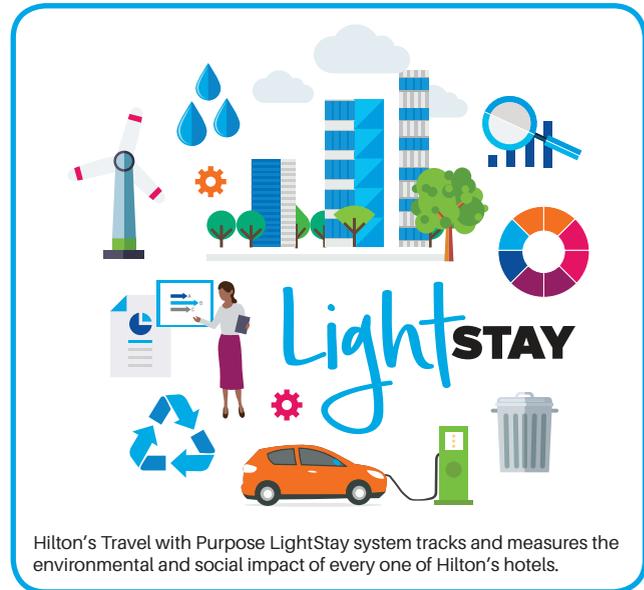
## Supply Chain

Hilton partners with suppliers to protect human rights and ensure responsible sourcing across their business. Hilton does this by:

- Supporting local businesses through the company's commitment to double their sourcing spend from local, small- and medium-sized enterprises and minority-owned suppliers
- Protecting human rights by partnering with suppliers to eradicate forced labor and trafficking
- Encouraging suppliers to set their own environmental and social goals

## Communities

Hilton invests in communities to create opportunities for all and to protect the environment for future generations to come. Hilton does this by:



Hilton's Travel with Purpose LightStay system tracks and measures the environmental and social impact of every one of Hilton's hotels.

- Creating opportunities for meaningful careers, particularly for youth around the world as well as for women, minorities, Veterans, and persons with disabilities
- Bringing Travel with Purpose to life in communities through skills-based Team Member volunteering
- Preserving local cultural and natural heritage, and engaging guests in destination stewardship efforts

## Measuring Hilton's Impact

Underpinning all of Hilton's Travel with Purpose efforts is the company's proprietary and award winning LightStay system, which tracks and measures the environmental and social impact at every one of Hilton's hotels—from water and energy use to volunteer hours and donations. With this, Hilton can give its B2B customers useful information on the environmental impact of their stays and provide suggestions on how to lessen their footprint. As more and more organizations set their own environmental and social goals, many are looking to their partners, including hotel companies, to help them achieve their targets. By providing this type of information, Hilton is helping its customers understand their impact so we can work together to help support their goals.

Despite 2020's challenges, Hilton has remained fully committed to its environmental and social goals. Why? Because Hilton operates in some of the most beautiful destinations around the world and recognizes the critical responsibility it has to protect our planet and communities for future generations.

# Hilton

Learn more about Hilton's Travel with Purpose program and 2030 Goals at [cr.hilton.com](https://cr.hilton.com)

for them to be on the journey toward a sustainable future and potentially net zero," he said. "In order to do that, they need to be measuring."

### POTENTIAL SOLUTIONS

Corporate lodging platform HRS in March introduced its Green Stay Initiative, which uses a proprietary formula for calculating a hotel's sustainability score based on its energy consumption, water use and waste disposal—three key elements buyers look for and that are measurable.

When the company started its project, it faced the same roadblock: the lack of an industry standard. "We found that large hotel groups had sustainability programs in place, but they were very different," said HRS chief product officer and Green Stay Initiative team leader Martin Biermann. "At most, they were following the greenhouse gas protocols from a scoping point of view and what needed to be measured."

HRS looked at approximately 200 bodies and found that each basically created its own set of criteria or action plans they recommended to hotels. The most prominent one was the Global Sustainability Tourism Council, which has a comprehensive set of action plans for businesses in the travel industry, Biermann said. HRS also integrated the HCMI and HWMI into its calculation, along with EarthCheck, Green Key and unnamed others.

Some hotel companies countered that there are industry standards, at least for a few sustainability measurements, and Hilton's newly released 2020 ESG report indicates the industry is working with the World Wildlife Fund to develop a standardized waste measurement methodology.

The major hotel companies BTN spoke with all use the HCMI and HWMI tools to help provide an individual hotel's footprint, and it is a brand standard—for all properties, managed and franchised—to provide that information. Hyatt Hotels Corp. added in a statement that along with industry peers, it participated in coordinated benchmarking through the Cornell Hospitality Sustainability Benchmarking Index. But again, each company uses additional differing

factors when giving an overall picture of a property's sustainability.

Aside from producing a carbon and water footprint using HCMI and HWMI, Naguib said Marriott also factors in waste practices and "hundreds of data points" for its sustainability information. The company also currently takes into consideration seven certifying bodies, including green building certification programs as well as green hotel certifications that meet GSTC standards.

Hilton Worldwide has LightStay, its proprietary system that measures the company's environmental and social impact around the world, "from energy and water use to volunteer hours," said Hilton VP of corporate responsibility Kate Mikesell. There's also Hilton's Meeting Impact Calculator, which based on information about a particular event, can determine the environmental footprint of that event.

Further, "all of our hotels are certified with ISO quality management, environmental management and energy management standards," Mikesell said, adding that Hilton's LightStay also achieved GSTC status.

IHG, which earlier this year announced its 10-year Journey to Tomorrow sustainability plan, has a system called IHG Green Engage, which also is a brand standard for hotels to measure and monitor utility consumption, Dolton said. She added that the company has its own certification for four sustainability levels, which can vary based on geography. "More widely you have questionnaires like the Carbon Disclosure Project, and various methodologies for contrasting and comparing the sustainability of hotels. There is some standardization out there, but I do think we are seeing a greater call from customers for something that is a bit more straightforward."

These methods are the foundation for reporting to clients and don't even begin to capture all that the companies do on the corporate level for their own sustainability goals.

### SOURCING IMPLICATIONS

A majority of hotel companies' sustainability requests come through the Global Business Travel Association request-for-proposal format, which

includes 20 sustainability-related questions. But the questions likely could use an update as they don't cover everything that buyers now look for. "Companies are really focused on more things like renewable energy," Naguib said. "It is not one of the standardized questions, but now a lot of customers are asking about it."

Still, regarding the GBTA questions, "[the hotels] have to self-certify," McDonald said. "There is no one who says, 'show me your certification.' There is no single standard in calculating this, you have to take it on face value."

Other buyers go directly to their national sales managers, while some come through corporate sustainability departments. What is clear is that buyers will increasingly ask for this information from hotel partners, especially as more corporations are announcing their own sustainability goals.

When next sourcing hotels, "we will want documentation to prove that a property or chain has a sustainability program, how they are measuring it, and do they have a net zero program and how is that being met," said one buyer whose company has announced a net zero target.

Will the need to meet internal sustainability goals impact which hotels make it into corporate travel programs?

Marriott's Naguib said she is starting to see some more mature programs use their collected sustainability data for decision making, but buyers aren't necessarily there, yet.

"The short answer is yes, but it will take time," Avery said. "At the moment it's not appropriate to say we would not put a hotel in just because it didn't have sustainability information. Possibly, if there was something next door. But sometimes we are in locations where we don't have a choice. You have to be realistic."

For Toyota North America travel services manager Rebecca Jeffries, it will depend on her travelers. "If it's something that 10 percent to 15 percent of my travelers have an interest in, it probably won't make a huge difference in my sourcing," she said. "But if 85 percent of my travelers are interested in it, then yes it will." ■



**"A lot of corporations today aren't necessarily mandating travelers stay with greener hotels, but they want to encourage that behavior."**

**IHG's  
Catherine Dolton**

# BTN

BUSINESS TRAVEL NEWS

FRIDAY MAY 7<sup>TH</sup>

12pm EDT / 9am PDT / 5pm BST

Duration: 1 hour

WEBINAR

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# Vehicle Electrification Accelerates but Faces Static Infrastructure

Car rental and ground transportation providers are responding to the “acceleration” in interest among corporates in reducing their carbon emissions since the start of the Covid-19 pandemic, according to Advito principal Olivier Benoit.

While air has been the primary focus for reducing emissions, followed by hotel, corporates have become more carbon-conscious across all supplier categories. “They are now looking more into car and rail,” Benoit said. “They are moving from a pure air [strategy] to a multimodal approach.”

Corporates are asking, “How can I pick up a contract with the green guys in the industry?” added Benoit. “There’s more and more discussion with our clients around which suppliers are green, what can we negotiate in our contract with them, what are the offerings.”

The problem, said Benoit, is that the viable options are pretty limited.

Unlike airlines, which are including carbon offsets in fare categories and providing corporates with options to donate to sustainable aviation fuel, ground transportation suppliers aren’t as advanced with their specific contracting offerings, Benoit said.

“When it comes to a very specific contracting policies, my opinion is that they are less advanced than what air and hotel suppliers are doing today,” he said. “When we engage [car rental companies in a request for proposals], for example, they will

not come with specific contract options related to sustainability,” he said. This is due to the fact that supplier flexibility in the car rental space is dependent on what their manufacturer partners can provide, he said.

## CONVERSATIONS ARE EVOLVING

Even so, conversations about sustainability and ground transportation options are happening, and they are more global than before. National Car Rental SVP of business rental sales and global corporate accounts Don Moore said National is talking to more corporate clients in North America about sustainability, whereas these discussions pre-pandemic mostly were with customers in Europe.

Where car rental suppliers are taking the most significant steps are in fleet investment, especially fleet electrification.

“All the major car rental suppliers are increasing their share of hybrid and electrical vehicles in their fleet, and it’s accelerating,” said Benoit.

“We are working very closely [with manufacturers] to add vehicles from a low-fuel hybrid to electrical vehicles,” said Moore. “That is in our long-term strategy.”

Likewise, Avis Budget Group in 2020 established a goal to reduce its greenhouse gas emissions by 30 percent by 2030, with a focus on fleet optimization and efficiency.

“Our efforts ... are rooted in three approaches: fleet optimization, which includes enhancing

connected vehicle technology; introducing fuel-efficient and low-emission vehicles; and expanding car sharing solutions through our Zipcar brand and partnership initiatives,” according to Avis Budget Group sales SVP Beth Kinerk.

As the fleet evolves, however, the business model also will need to follow, according to Benoit.

“I don’t feel the business model for electric car rental is completely mature today,” he said. Fleet electrification continues to be hampered by local infrastructure and battery technology and travel buyers will be limited to what their travelers will conceivably use. Because of that, he said, electric vehicle options “haven’t become a focus point” in negotiations with car rental and ground transportation partners. “It has not come to a tipping point.”

The demand may be shifting more quickly in Europe, according to Sixt global sales director Stuart Donnelly. He said the Pullach, Germany-based mobility giant was “increasingly adding hybrid and electric vehicles to our fleet,” in a response to customer demand for more electric vehicles. “Feedback from our customers has been to ban ICEs [internal combustion engines] completely from their fleets and become carbon-neutral by 2025 or 2030,” said Donnelly.

Meeting that goal will require more electric vehicle production from manufacturers, and according to recent announcements those plans are hitting the



“I don’t feel the business model for electric car rental is completely mature today.”

Advito’s  
Olivier Benoit

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pipeline, even in North America.

In March, General Motors announced it would end production of diesel- and gasoline-powered cars, trucks and SUVs by 2035 and shift its entire new fleet to electric vehicles as part of a broader plan to become carbon-neutral by 2040. Toyota plans to have 40 percent of its new vehicle sales be electrified models by 2025 and nearly 70 percent by 2030.

Europe's biggest car manufacturer, Volkswagen, has announced a goal to sell more than 2 million electric vehicles by 2025, in hopes of displacing Tesla as the market leader in electrified vehicles.

Indeed, the global electric car rental market is projected to reach around \$15 billion by 2025, according to Market Research Future. And in some countries, regulators are getting involved.

"The governments are driving the transition as well," said Donnelly, noting the UK's November 2020 move to ban sales of conventional ICE vehicles by 2030 and hybrids by 2035.

### ROADBLOCKS

"[Car rental suppliers] have to purchase what the customers want," car rental consultant Neil Abrams said. "Within that framework, they are also being dictated by what the manufacturers are building. The reality is that manufacturers are going more and more toward electrification. It's evolving at an accelerating rate. We are going to see more and more electric vehicles in fleet."

There's a question, however, whether corporate travel demand ultimately lines up with consumer demand. Some buyers told BTN they have to limit their requests specifically for EVs because they there's a good chance travelers won't use them frequently—for a variety of reasons. Right now, cost, convenience and infrastructure are all limiting factors.

"It's difficult because we don't want to add costs to the vendor to provide a vehicle that our employees aren't going to use," said State of California business partnership and travel manager Bill Amaral. "We have to get to the point that if we are going to ask our vendors to [introduce] more electric vehicles in their fleets, we have to make sure our employees use those vehicles."

A big reason electric vehicle adoption remains low among business travelers is American and European infrastructure doesn't adequately support electric vehicle use. Electric vehicles require an extensive charging station network. While suppliers provide apps to help drivers find them, it's not enough if travelers need to span distances. "If you have to use an app to go find a charger, that's telling you something—that [charging stations are] not prevalent out there," Amaral said.

Ground transportation consultant David Kilduff said the same. "EV cars are coming but there are very few charging stations for that," he said. "It's not like a gas station where we pull up and fill our tank and out in seven minutes. It's not the case. It takes X amount of time depending on the model to charge one of these, so it's going to look very different. There's going to have to be way more charging stations than pumps. Then, you have to have the additional area in order for cars to sit there and charge."

On top of scarce charging stations, vehicle batteries don't enable drivers to get very far without charging. "Battery technology is going to improve, but right now, they take quite a long time to charge," said Kilduff.

These issues combined with today's batteries can lead to long wait times as well as anxiety for travelers. "I had an electric vehicle from 2015 to 2018 and one of the lessons I learned personally is to never pass up an opportunity to charge because they had become



**"Feedback from our customers has been to ban ICEs [internal combustion engines] completely from their fleets and become carbon neutral by 2025 or 2030."**

**Sixt's Stuart Donnelly**

a lot more popular," Amaral said. "I was always battling people to get a plug here at my department and infrastructure was a big thing, but I think for most people it was the range anxiety."

At this time, a full electric or hybrid fleet isn't possible for car rental suppliers, according to Moore. "You couldn't launch a full electric or hybrid fleet today because you don't have all the outlets you need."

Transforming infrastructure is a monumental task. "Every rental car company, hotel, motels and other businesses are going to have get charge stations, which means land, which means infrastructure change," said Kilduff. "It's not simple. It is complicated, and it's going to be an evolution."

### PATH TO MATURITY

While the road to electrification seems long, the alignment among key stakeholders points to optimism. "Manufacturers, corporates and governments are pushing pretty hard now, so I think you'll see faster movement than you did in the past," said Moore.

Manufacturers and their partners are investing in expanding the charging station network and making more efficient, cheaper batteries. Volkswagen, for example, said it would have 18,000 charging stations across Europe by 2025. Volkswagen said would cut the cost of batteries by up to 50 percent by the end of the decade, while slashing charging time to 12 minutes. The electric vehicle charging station market is expected to grow by \$22.02 billion during 2021-2025, according to ResearchAndMarkets.com.

Car rental suppliers are taking steps now to prepare for an electric vehicle future. "I will tell you, whenever we are renewing a location or getting a new location in a certain area, we are making sure they have power outlets for charging vehicles," Moore said. "That's definitely in our plan in the long term." ■

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# Booking Tools Begin to Measure Up

As carbon emissions data begins to flow through booking systems, are we really presenting travelers with actionable information?

Organizational carbon reduction goals are widely considered one of the most powerful drivers in the push toward a more sustainable corporate travel ecosystem. But such initiatives, typically set by corporate leadership, must be actionable at the level of the individual traveler to be fully effective. And perhaps nowhere does the rubber of sustainability strategy more firmly meet the road of employee behavior than within the context of the travel booking process.

With that concept in mind, many online booking tools and other providers have begun adding sustainability data to their systems, presenting the emissions associated with a given flight or ground transport option, or the carbon footprint of a particular hotel stay, within the OBT environment. Those calculations are based on a variety of government and non-governmental organizational methodologies, as well as proprietary methods.

By offering up sustainability data alongside other key booking information such as price, departure and arrival time and Covid-19-related hygiene and safety data, managed travel programs can equip travelers with the information they need—when and where they most need it—to drive more sustainable booking behavior, according to proponents of the model.

And as corporate travel gradually resumes after a year-plus pandemic-induced pause, the opportunity is ripe to elevate emissions to top-of-mind consid-

erations for travelers returning to the road—ultimately instilling booking habits that will pay long-term dividends in corporate travel's transition to a more sustainable future.

## EMISSIONS EMERGENCE

The concept of an in-booking carbon emissions gauge dates back nearly a decade. KDS's Neo was among the earliest OBTs to include such functionality, offering a “greenest” door-to-door itinerary option and leg-specific emissions figures when it launched in early 2013. Neo since has come under the ownership of American Express Global Business Travel—which acquired KDS in 2016—and the travel management giant has continued to fine tune Neo's emissions features. The greenest itinerary function was shelved, replaced in 2020 by a simplified sorting and filtering option, which can be combined with other search criteria to enable users to find, for instance, the greenest option below a given fare threshold. Soon after, Amex GBT added a hotel search badging feature that denotes properties meeting certain environmental standards, and in March 2021 added a filter for electric and hybrid vehicles for car rental searches.

Notably, the development and rollout of those functions was driven by Neo's corporate users, according to Bertrand Blais, vice president of product management for Neo.

“Our most recent enhancements are a result of increased customer demand for these features ... to raise awareness



“We saw crazy demand for the product and experienced hundreds of signups following its launch, and we saw this as a strong indicator that sustainability was top of mind.”

TravelPerk's  
Raphaël Daverio

of the impact of travel on CO2 emissions,” said Blais. While he conceded that trip duration and departure and arrival times remain the main criteria for most travelers when selecting a booking, the emphasis on sustainability has ramped up considerably, Blais noted, citing a recent poll of Amex GBT's clients in the Netherlands that found sustainability was the top concern, outranking other factors including cost controls.

Meanwhile, SAP Concur offers the ability to display sustainability data within its Concur Travel OBT, where it appears alongside other key booking information such as departure time and duration, as well as to sort search results by carbon emissions.

While badging preferred sustainable suppliers isn't yet available, according to customers, travel managers can configure search results to highlight sustainable suppliers and deliver messaging to promote greener travel options, such as booking a train instead of a flight for shorter journeys. Searches also can be set to display multiple modes of transport on the same results screen to enable side-by-side comparison based on emissions and other criteria.

The newer generation of TMC/OBT hybrid providers are incorporating emissions tracking capabilities into their own platforms as well.

Barcelona-based TravelPerk includes per-trip emissions measurements as part of its GreenPerk carbon mitigation service, which gives clients data insights into their travel-related carbon footprint,



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which can be used to inform policy and supplier negotiations, along with the ability to purchase offsets.

“You can’t manage what you can’t measure,” said Raphaël Daverio, senior product manager for TravelPerk, adding that an accurate gauge is “absolutely fundamental” to any corporate travel carbon mitigation or sustainability strategy.

To ensure the emissions data is reliable and granular, TravelPerk works with Atmosfair, a non-profit carbon mitigation specialist whose proprietary emissions data calculation methodology is based on several organizational standards but tailored specifically for corporate travel. Integrated into TravelPerk’s booking tool via API, the calculator takes into account factors “from the simple distance of a given flight or train ride to more complex elements such as the type of plane used,” Daverio noted.

The debut of GreenPerk in late February 2020 was “one of the most successful product launches we’ve had in the past years,” according to Daverio. “We saw crazy demand for the product and experienced hundreds of signups following its launch. We saw this as a strong indicator that sustainability was top of mind for our customers at the time.”

### **THE GREAT (GREEN) RESET**

Of course, just weeks later, the corporate travel industry would be turned upside down by the global outbreak of the Covid-19 virus, which brought essentially all corporate travel activity to an abrupt halt—where it would remain throughout the rest of the year and into 2021.

But even under the shadow of the pandemic, travel managers remained focused on sustainability efforts. In fact, with travelers sidelined, many managers had the time to devote to innovation—an unprecedented opportunity to re-imagine their programs and take steps toward achieving longstanding goals; for some companies,

sustainability was at the top of that list.

“Forward-thinking and leading organizations and individuals saw the pause in business-as-usual travel activity as a real opportunity to implement valuable solutions that bring new capabilities into the context of their travel programs—and no more so than where sustainability is concerned,” said Mark Corbett, director of Thrust Carbon, a UK-based startup that offers emissions measurement tools and offsetting options.

Thrust Carbon’s emissions measurement capabilities can be integrated into clients’ booking tools, and the company over the past several months has crafted OBТ integrations with Concur and CWT, among others. Thrust Carbon was awarded top honors at BTN’s Innovation Faceoff in October 2020, with the judges citing the calculator’s potential to help drive more sustainable travel decisions by presenting emissions data within the booking flow.

As travel remained at a relative trickle during the first months of 2021, plenty of other suppliers rolled out emissions gauges, touting the opportunity to implement and test those offerings during the ebb in activity, so that the tools are firmly in place as travel resumes.

In March 2021, corporate lodging platform HRS launched its Green Stay initiative, a solution that enables travel managers to highlight hotel properties that have surpassed sustainability standards based on energy consumption, water use and waste disposal. Managers can configure online booking tools to denote such properties with a special icon, or to only display properties that meet defined sustainability thresholds in the search results.

Deem’s newly launched Etta online booking and travel management platform also offers clients the capability to install a badging function for sustainable booking options. Global travel management provider FCM Travel—which

currently is at work on an entirely new booking and management platform of its own—has tabbed providing in-booking carbon emissions data as part of its future roadmap.

Meanwhile, TripActions has initiatives in the works to provide information about the emissions from a given booking option, presenting such data in easy-to-understand format—such as equating a particular booking’s emissions to a number of plastic water bottles deposited into a landfill—with the aim of driving more sustainable booking behavior.

For travel managers, the digestibility of sustainability information is key to enabling their travelers to take those factors into account when booking.

“I want to show green options in the OBТ,” said Rebecca Jeffries, travel services manager for Toyota North America “But I want it to be super-simple, and I don’t want my travelers to have to look for it and figure it out.”

Jeffries currently is working with her OBТ provider, Deem, to create and implement such a sustainability rating system for transport and hotel options, she said.

One other advantage of a rating model compared to presenting emissions as raw numbers within the booking tool is the potential that figures might not be accurate—a particular risk for aspects like aircraft load factors, which aren’t determined until a flight is ready to take off, Jeffries noted.

As slick as the user interface may be, Amadeus VP customer solution for corporation Lydie Charpin agreed the calculations behind the scenes can be rough. “For air, it is linked to type of plane, load factor, class travelled and ancillary services; and for hotels, parameters include type of construction, level of services and sustainability measures the hotel has taken. We are working with a specialist partner to find a more sophisticated and accurate way of measuring CO2 for



**“I want to show green options in the OBТ, but I want it to be super-simple, and I don’t want my travelers to have to look for it and figure it out.”**

**Toyota North America’s  
Rebecca Jeffries**

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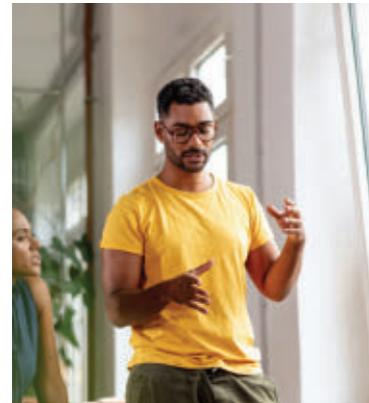
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accommodation,” she said about the emissions calculations in Amadeus’ Cytric tool.

To get around those issues, Jeffries said, “I’d like to [use] some sort of a grading system, or red-yellow-green color scale. “I would rather point out if this particular aircraft is more sustainable than another one, or if a hotel is LEED-certified” over an approach based on raw numbers.”

TravelHorst Sustainable Business Travel Consulting founder Horst Bayer agreed. “As we are bringing all these numbers through to the online booking tool, are travelers the ones who should be making these decisions? What context are we giving them? And what alternatives? If we tell them a flight emits 3,000 metric tonnes of CO2, what does that mean for them?”

Whichever format such tools may take, the ability to furnish travelers with emissions information within the booking process is “long overdue,” noted Norm Rose, president of Travel Tech Consulting.

“There was significant corporate customer demand [for such services] prior to Covid, especially in Europe, driven by corporate sustainability initiatives,” Rose said. Now, as travel buyers and managers prepare for the next phase of business travel, “sustainability has resurfaced as a major trend for OBTs,” he observed—going on to predict that in-OBT emissions tracking capabilities will be among the “major” areas of industry focus as travel returns over the next 18 months.

### **MESSAGING MODEL**

The drastically enhanced onus on corporate travel duty-of-care responsibilities amid the Covid pandemic drove increased managers’ demand for capabilities to send health and safety-related alerts and destination-specific messages to their travelers. To fulfill that need within the context of the booking channel, some providers that already offered general

in-booking messaging pivoted to focus their services more closely on Covid-related messaging.

Looking more deeply into travel’s return, some of those services are beginning to eye sustainability-related messaging as another key use-case for their tools.

One such provider, Tripkicks, initially was launched in 2017 as a corporate travel cost-saving tool built upon offering rewards to encourage travelers to save money when booking. With the onset of the Covid-19 pandemic, the company shifted its value proposition, building a new booking tool add-on that presents relevant travel information and alerts within the booking flow.

While safety is the priority amid the height of the pandemic, in-booking sustainability messaging had been on the company’s radar for some time, according to Tripkicks CEO Jeff Berk.

“In late 2019, we started working on the ability to highlight the most eco-friendly supplier options within a booking tool,” said Berk.

Tripkicks’ sustainability messaging tool, which currently can be integrated with Concur Travel, uses a simple ranking model to highlight which air and hotel bookings among a chosen set of options are the most eco-friendly based on comparison with each other. The goal is to ensure the information is presented in a way that’s relevant and actionable, Berk said.

Highlighting sustainability information within the booking process can absolutely impact a traveler’s decision [but] not every person can conceptualize what a measure of carbon equates to,” Berk noted. “When you put it in terms they understand—‘this property is LEED-certified,’ or ‘this Dreamliner is more efficient than a 777 from the ‘90s’—it starts to become relatable.”

Another messaging provider that adopted a Covid-centric service model is Shep, whose browser extension-based platform initially was designed to mitigate off-channel booking by detecting when a



**“As we are bringing all these numbers through to the online booking tool, are travelers the ones who should be making these decisions? What context are we giving them? And what alternatives?”**

**TravelHorst’s  
Horst Bayer**

traveler was attempting to book directly on a supplier’s website and sending a message directing them back to their company’s preferred channel.

Like Tripkicks’ Berk, Shep CEO Daniel Senyard sees sustainability messaging as a promising post-pandemic application of its platform. “As Shep is a flexible communications tool, you can really add any sort of custom sustainability messaging,” said Senyard. “You could ask employees if they really need to travel as they start searching for a flight and prompt them to use Zoom instead. On the flight result page, you could tell them to use an airline that uses sustainable air fuel or remind them to fly economy class. You could also pop up a message telling them to take the train when they search for a flight from Paris to London, or to stay at a particular hotel when they search for a specific city.”

To enhance its offering around sustainability messaging, Shep in late April partnered with Thrust Carbon to integrate dynamic data and carbon emission calculations into the booking flow within an OBT environment, presenting booking-specific information and comparisons such as, “This flight is the equivalent of driving a small car 8.9 percent to the moon,” or “This flight is the equivalent of 16,000 hours of video conferencing,” Senyard said.

As Senyard sees it, while after-the-fact emissions reporting plays an important role in corporate travel sustainability efforts, guiding travelers to make more sustainable booking decisions on the front end ultimately is the more effective approach for creating greener travel programs.

“It’s far better not to break something in the first place than it is to try to fix it after the damage is done,” the Shep CEO said. “By nudging employees to make greener choices through awareness, quantitative numbers or incentives, a company is able to proactively improve their carbon impact.” ■

# Symetra Strikes a Sustainability Balance

By Chris Davis

Commitment, not money, drives this small company's business travel sustainability push.

Much of the drive toward sustainable business travel strategies in recent years has been driven by large companies, those with tens or even hundreds of millions of dollars in annual global air spending. Many of these firms report the tens of thousands of metric tons of Scope 3 carbon emissions generated by their business travel, and some even have appointed executives dedicated to greening the travel program. Some deploy systems to closely monitor the use of travel alternatives and the environmental impact of doing so, and some are developing innovative partnerships with suppliers to further reduce emissions.

But all of that costs money, potentially quite a bit. It's often good business for large public companies with tens of thousands of employees to ensure their commitment to sustainability is visible internally and to the public, and so the investment in developing green travel systems and strategy can pay off not only in public image but also employee satisfaction and retention. Still, it's arguably a bit of a luxury, and one that small companies might not be so quick to embrace. Even before the pandemic, measures like buying carbon offsets or investing in the kind of remote conferencing systems that could provide an alternative to business travel might not be high on the list of spending priorities for companies with only a few million dollars in air spending.

But that doesn't mean they're all ignoring or evading the issue, and in fact many small companies are be-

ginning to acknowledge the carbon impact of their business travel and are taking steps to ameliorate it. One such company is Symetra, a Bellevue, Wash.-based provider of life insurance, retirement plans and other related products to U.S.-based companies and which has a small, strictly domestic travel program.

Driven in part by its Japan-based parent company, Sumitomo Life Insurance Co., which acquired Symetra in 2016, the firm is embracing sustainable initiatives in all aspects of operations, including travel, said Symetra senior global travel and merchandise manager Karen Beauchamp.

"Our company in the past couple of years, we've been going through several big initiatives, and sustainability is a big one. It's on everybody's tongue," Beauchamp said.

## MORE THAN TALK

The initiative at Symetra has manifested in several areas of the company, she said. More than half of Symetra's employees employ an alternate commute to get to work—pre-Covid, naturally—be it mass transit or carpooling, and the office has instituted an extensive recycling and composting program, as well as a paper-avoidance strategy.

For business travel, though, the company has embraced a virtual-meetings strategy, pandemic notwithstanding. Symetra's meeting planning team is in-house and business travel policy compliance is high, and the company enthusiastically pushes remote conferencing as an alternative to travel as part of its



**COMPANY:**  
Insurance

**HEAD-QUARTERS:**  
Bellvue, Wash.

**KEY GREEN TRAVEL EFFORTS:**

- Push internal travel to virtual platforms
- Travel approval with senior executives
- Future carbon offset purchases

sustainability initiative, she said.

"We actively promote it, and we will have people come after you to ask, 'Why didn't you do this virtually?'" Beauchamp said. "One of the things that we had done—and it just finished two months before Covid went gangbusters—is that we had moved to a work-from-home opportunity plan. Maybe it's full-time or a day or two a week, but pushing virtual meetings, that is key to success. People are staying at home. We do everything on Teams now. Everyone has laptops with cameras now. It's a huge part of this."

Still, there are pressures. Beauchamp noted that in-person interaction is important in insurance sales, and some Symetra salespeople are eager to receive a Covid-19 vaccine so they can resume business travel. "When you're talking sales, nothing sells better than face to face," she said. "I fully expect that by the end of the year, many of those guys will be in [airplane] seats."

As such, limiting travel for live meeting attendance should remain the most effective sustainability strategy for the time being. Senior divisional leadership must approve such travel, Beauchamp said, and divisions are expected to remain within annual travel budgets. The company is experimenting with hybrid options to limit attendance and travel once live meetings return to the scene.

Next up for Symetra could be the purchase of carbon offsets for travel. "We don't buy a lot of credits for offsetting yet," Beauchamp said. "But I feel that's coming within the next year." ■

# Salesforce Charts Its Own Course to Sustainable Travel

By Elizabeth West

Salesforce started as a CRM platform, and everyone knows that means data. The company has since grown into a multiplatform business enablement provider; but with data still at its core, is it any surprise that its corporate sustainability initiatives are powered by its own platform prowess?

“Climate change is the greatest challenge humanity has ever faced,” said Salesforce VP of sustainability Patrick Flynn about the need to limit the overall rise in global temperature to 1.5 degrees Celsius by 2030 as determined by the Paris Climate Accord. Flynn believes—and there is a culture among Salesforce executives who believe—that business is the place to look for impact that is not just environmental but also to create equality, jobs and economic resilience.

The company has accomplished much within its own operations. Salesforce delivers its products every day with zero emissions. The company will achieve 100 percent renewable energy for its operations this year, meaning it “uses only new or renewable energy that we or our suppliers bring to the grid,” said Flynn. It also has offset all its business travel and commuting emissions since 2019.

The technology firm tracks and analyzes travel emissions in the Salesforce Sustainability Cloud, which it originally developed for internal needs but announced to market in 2019. And while the analysis is respected and the offsets have helped, “it’s not enough,” said Flynn. “We want to bring the full power of Salesforce to take bold action today in the climate emergency.”

## CLIMBING THE TRAVEL MOUNTAIN

“We knew travel emissions was a mountain we had to climb at some point, but given the inertia of business momentum in a typical year, it was hard to know when and how to intervene,” said Flynn.

The company’s carbon offsetting strategy placed an internal price on business travel emissions, creating a financial incentive to reduce emissions. When Covid-19 hit, it became clear that the businesses could survive “and even thrive,” according to Flynn, with travel being very different than before.

In collaboration with Flynn’s sustainability team, the Salesforce travel management team has targeted a 50 percent reduction in travel emissions relative to 2019 pre-pandemic levels, which travel services manager Jenny Sabine is quick to point out does not equal a 50 percent reduction in travel. “We have better levers than that,” she said.

The Covid-19 pause gave the travel team the space to explore which levers to pull—and in what combinations. They dug deep into policy, implemented new program features and initiated deeper conversations with suppliers to emerge with a leaner, greener, more inclusive program.

## Riding the Rails

Among the first initiatives, said



“We want to bring the full power of Salesforce to take bold action today in the climate emergency.”

Salesforce’s  
Patrick Flynn

Sabine, has been a renewed focus on rail travel. “We’ve added an entire new section [to our policy] for rail,” she said, adding that the company had challenges implementing such a program—not just from a change management perspective but also “with the technology out there.” Sabine said the team will likely need to reconfigure the travel tools to accommodate Salesforce’s new rail strategy. Even so, the company committed to this change and will roll out a formal rail program this year. “We are lucky to have the time to do it,” said Sabine.

Such initiatives take advantage of low-hanging fruit in terms of carbon emissions. A 2019 BEIS & DEFRA study showed rail travel to be at least 50 percent cleaner than economy class air travel, and some trains reduced emissions by 85 percent to 90 percent.

With those efficiencies in mind, Salesforce identified more than 20 city pairs, mostly in Europe, where the company will strongly recommend rail bookings. “Take London-Paris,” said EMEA travel manager Robbie Hughes. “And consider someone leaving the office and traveling to Heathrow, with the whole end-to-end process with passport control and security and ground transport from Charles de Gaulle. Compare that to three stops on the tube in London to get to the Eurostar that takes you to the center of Paris. There’s not only

a carbon savings but a cost and time savings as well.” Hughes emphasized the work also includes the U.S. East Coast and may solidify rail policy in parts of Asia.

### **Investing in Air Travel Innovation**

Salesforce wants to be a leading voice in a clarion call across business to drive sustainability through the supply chain. “We want to be our suppliers’ most sustainable customer,” Flynn said. On one side, that may translate to being a really demanding customer; on the other, it means that Salesforce is motivated to collaborate with suppliers “to access sustainability innovation that they couldn’t reach on their own,” Flynn added.

The firm recently extended that collaborative spirit to its travel industry partners, said Hughes. “Working with parts of Patrick’s team, we’ve started to engage with airline partners regarding sustainable airline fuel. It’s opening some interesting opportunities, even outside of working with airlines. Some TMCs, for example, are looking to go directly to wholesale suppliers to use consortia purchasing for SAF. We are in early stages with these talks, but it’s important for us to have a foothold to demonstrate how Salesforce wants to work with airline partners going forward.”

This is an important change for Salesforce, given its current offset strategy for air travel. “We do see offsets as a Band-Aid,” said Hughes. “And we want to move beyond that.”

### **Proprietary Hotel Certification**

While many travel teams will look for external certification programs for partner hotels, Salesforce is planning to screen partners to qualify in its own program. “We are working towards a Salesforce certification,” Hughes shared via an email. “We are actively partnering internally to build a scoring methodology. This would ultimately certify specific hotels, brands or chains as environmentally sustainable by Salesforce standards.”

According to Hughes, Salesforce will weigh sustainability factors in selecting and prioritizing preferred



**COMPANY:**  
Business  
Enablement  
Technology

**HEAD-  
QUARTERS:**  
San Francisco

**NUMBER OF  
TRAVELERS:**  
16,000 +

### **KEY GREEN TRAVEL GOALS:**

- By 2030:  
Reduce travel emissions by 50%
- Implement and integrate rail program
- Prioritize sustainable options in the OBT
- Develop proprietary hotel certification
- Sustainable Aviation Buyers Alliance founding member
- Achieving data accuracy and transparency through Sustainability Cloud

partners, including hotels. As certification rolls out, properties that don’t qualify would still be available in the company’s Concur booking tool, but those that do qualify would be highlighted within the booking tool “and promoted to travelers as the first option.”

### **Data Will Drive Behavior Change as Travelers Come Back Online**

Salesforce maintains its own ‘data lake’ with inputs from its corporate online booking tool Concur as well as its American Express corporate card and TMC of record American Express Global Business Travel. Salesforce’s Sustainability Cloud uses factors of both the U.S. Environmental Protection Agency and the UK Department for Environment, Food & Rural Affairs to standardize Salesforce methodologies across numerous suppliers, rather than attempting to reconcile various methodologies provided separately.

Working with the sustainability team, the travel team is developing emissions dashboards down to the traveler level and will use emissions data calculated within that tool to create traveler communications through the travel team’s dedicated Slack channel, through annual education requirements in Salesforce Trailhead for Education and, perhaps most importantly, through the travel booking process, which is still a work in progress.

“We have a high adoption rate globally in the OBT, so it’s good to get the message out on the tool,” said Hughes. Salesforce is working with Concur to be able to identify efficient aircraft choices in the booking tool with a label or badge and, once the company implements its hotel certification program, would want to do the same.

In line with Salesforce’s goal to be its suppliers’ “most sustainable customer,” Hughes added the company continuously pushes its OBT provider to do more. “Eventually,” he said, “we want our employees to see their carbon footprint when they travel and act accordingly.”

The Concur tool does offer

emissions calculations on its own platform, but given Salesforce’s data independence, Hughes confirmed the company does not use that particular provision, “it’s not what we are driving toward.” Salesforce relies instead on the Sustainability Cloud for business travel emissions calculations, which will be audited by a third party for the first time this year.

### **KEEPING AN EYE ON THE BIG PICTURE**

Flynn emphasized that accurate data around sustainability will be the lynchpin between buyers and suppliers and the key to the collaborative effort across the business community to fight climate change.

“You have to have real trust across the customer-supplier relationship, and that takes trusted data, transparency and disclosure,” he said.

For Salesforce, the Sustainability Cloud operates as the single source of truth for measuring its own progress toward goals and being able to share that information in real time with its partners. For the marketplace, he added, “Salesforce can provide the trusted calculation methodologies and platforms to move the marketplace forward faster.”

While there’s clearly a commercial side for Salesforce within the sustainability realm—the company describes business travel analytics as “daunting and time consuming” in its online storefront for Sustainability Cloud—there’s obviously more to Salesforce’s travel sustainability efforts than promoting its own platforms. The tangible changes already implemented are testament to that, and according to Flynn, Hughes and Sabineu, there’s plenty still to come.

“We want to be transparent with our partners about where we need to improve,” said Flynn, and the company is counting on the data to keep them on track.

“Sustainability is definitely a work in progress for travel,” agreed Hughes and Sabineu, “but we’re very excited about the steps we are taking, and travelers will notice the changes when business travel comes back.”

# How to MEAN GREEN

The pause on travel has accelerated the push for a greener planet. Help your company lead the way with these checklists.



## PLAN

- ✓ Find stakeholder partners who can develop and approve travel and sustainability policies.
- ✓ Decide who will lead this effort.
- ✓ Create measurable goals to track progress.
- ✓ Ensure that goals align with overall business objectives.
- ✓ Check with federal and local governments for tax incentives.

## SEARCH

- ✓ Select suppliers with a strong sustainability record.
- ✓ Prioritize nonstop flights for travelers.
- ✓ Offer non-flight options like train travel or car rentals if feasible.
- ✓ Choose a travel management platform that displays carbon footprint data in real time.
- ✓ Set up a carbon offsetting program.

## COMMUNICATE

- ✓ Educate employees on the importance of sustainable options.
- ✓ Conduct training sessions on how to book trips with low carbon emissions.
- ✓ Encourage bookings with a lower carbon footprint; discourage unnecessary travel.
- ✓ Create competitions such as lowest carbon footprint per trip.
- ✓ Use surveys to solicit feedback; celebrate progress!



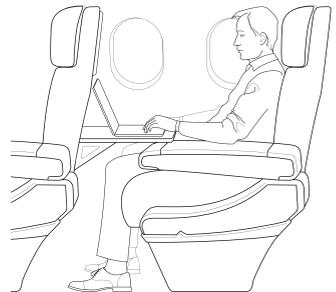
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emissions came  
from global  
commercial aviation  
in 2019 vs. 2013.\*



**70%**  
of Global 500  
companies report  
their business  
travel carbon  
footprint.\*\*



**19%**  
of global aviation  
CO<sub>2</sub> came from  
first- and business-  
class seating in  
2019.\*

\* The International Council on Clean Transportation; \*\*PwC

To learn more, visit  
[tripactions.com/sustainable-travel](https://tripactions.com/sustainable-travel)



# Arm Targets Travel Emissions to Reach Net Zero by 2029

By Andy Hoskins

Travel services director Toby Withnell worked with the organization's sustainability team to forge its strategy and identify the targets, policies and changes required to achieve its objectives, which aim to reduce absolute emissions from business travel by 8 percent.

Like many companies that have set out plans to reduce their carbon footprint, UK-based Arm came closer to its goals in 2020 when business travel was more or less grounded. Last year was an anomaly, of course, and so the environmental journey begins in earnest in the post-pandemic world.

"After meeting our 2010 to 2020 carbon reduction targets we increased our level of ambition and committed to a science-based approach to cut our absolute emissions and achieve net zero carbon by 2030," says Toby Withnell, Arm's director of global travel services.

Among its specific goals are the sourcing of 100 percent renewable electricity, the overall reduction of energy use by 20 percent, and the absolute reduction of emissions from its business travel by 8 percent by 2030.

"Business travel accounted for around 50 percent of all CO<sub>2</sub>e arising from our business in normal circumstances, so it's a key focus area for us. In a normal year of travel the projected target

in FY2021 would have been a reduction of 40 percent versus FY2019, to ensure we were on course to hit an 8 percent absolute reduction of travel emissions by 2030" says Withnell, who worked with the organization's sustainability team to forge its strategy and identify the targets, policies and changes required to achieve its travel-related objectives.

## ALIGNING THE EFFORT

The idea of setting departmental carbon-based travel budgets was floated early in the process and adopted for FY2021. These were based on working towards Arm's publicly announced goal of net zero carbon by 2030 and the annual reduction required to meet its target. The targets also factored in "headcount growth over the next 10 years, as we needed to ensure the targets reflected the business environment and growth plans."

Arm took its carbon emissions for its 2019-20 financial year and set that as the benchmark. "It was more or less an average year although we had to pro rata

the last quarter [January to March 2020] when travel tailed off due to the pandemic," Withnell explains.

"For our next financial year we are aiming to cut travel-related emissions by 40 percent [compared to 2019-20] which should be achievable while travel is recovering. There's been such a shift in opinions and understanding about the environmental impact of business travel recently that I am sure other companies will now look at implementing similar reduction targets."

He continues: "One key thing we have done is to align carbon budgets with T&E budgets to help promote the net zero agenda because it doesn't make sense to have a carbon budget not related to a T&E budget."

"And then Covid happened," Withnell adds. "That made things easy last year [with regards to its targets], but it's also accelerated our drive towards being a more sustainable business." Not only did the pandemic propel widespread adoption of virtual technology—and acceptance that it can replace



"If you're looking at halving travel volumes, rates could feasibly have less priority than in the past."

Arm's Toby Withnell

certain business trips—but Withnell believes Arm’s employees, and the wider populous, are now more acutely aware of their impact on the environment both as individuals and employees.

While part of Arm’s business travel in the past was client-rated, another portion of travel included internal events, collaboration and teambuilding for the global company, given it has offices around the world. It is the latter portion where Withnell expects to see the greatest reduction.

“Reducing internal meeting travel is going to deliver the bulk of our [emissions] savings. The pressure to travel will come from clients but all companies have their own sustainability goals now,” says Withnell.

“We have people saying we should have done this years ago, but it’s only the pandemic that’s really made everyone aware they don’t need to fly around the world to meet in person for every quarterly meeting when some or all of those can take place virtually. People now see the benefits of the time saved and their improved wellbeing—not just the environmental gains.”

**INTEGRATING EMISSIONS VISIBILITY ACROSS THE TRAVEL PROCESS**

The downturn in travel has enabled Arm to develop its internal reporting and stakeholder engagement around its travel sustainability goals. When travel returns, the organization will publish CO2e dashboards across the business on a monthly basis so employees can “make sure we’re on track.”

The company intranet site has also been redesigned to include more detailed



**COMPANY:**  
Software and computer processor manufacturer ARM

**HEAD-QUARTERS:**  
Cambridge, UK

**KEY GREEN TRAVEL GOALS:**

- By 2030: Cut absolute emissions and achieve net zero
- Cut travel emissions by 40% in next financial year, including shifting internal meetings to virtual
- Implement carbon budgets per departments and align them with T&E budget
- Develop internal carbon reports and benchmarking
- Traveler education initiative

information on Arm’s travel sustainability targets and strategy.

“We have workshops and communications planned around the return of travel and how sustainability is built into this,” says Withnell.

“Once booked, emissions are logged and reporting is provided by our travel management company, and travel emissions are fed into our company carbon emissions reporting tool.”

Withnell concedes that information pertaining to accommodation emissions is “a weak spot. We need standardization there. It’ll take time because it’s complex, but it’s key for us to get the complete picture of our impact from travel.”

Arm is currently focusing on carbon reduction, but in the longer term will “offset what we can’t reduce” through investment in accredited carbon sequestration. The company also has a long-standing partnership with global conservation charity Fauna & Flora International (FFI), supporting its technology for conservation

programs.

The organization’s environmental commitment also extends to its travel supplier partnerships. “Firstly, it’s essential that we’re able to measure our emissions from our use of their services, and secondly we need to know about their own sustainability efforts,” says Withnell.

“If one airline has a more sustainable fleet than another that is offering us similar rates, that would influence our preference. If you’re looking at halving travel volumes, rates could feasibly have less priority than in the past.”

Is Withnell confident Arm will meet its travel-related carbon reduction goals?

“We have developed a communications plan to ensure employees understand the new goals, and have new guidance so they have the information they need to support them...and with monthly reporting across the company, we’ll have very good visibility of how we’re progressing. Most importantly we are committed to meeting the goals.”

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# Novo Nordisk Seizes “Unique Opportunity” To Green Its Travel Program

By Amon Cohen

Reducing travel is a key element for Novo Nordisk’s emissions strategy, but collaborating with suppliers is another factor that will make this pharma giant—and the whole travel industry—greener.

In a year when so many other urgent needs could have taken precedence, Novo Nordisk is quite clear about its number one priority for travel management in 2021. “As we reintroduce travel, CO2 is going to be front and center,” said associate director and category leader for travel, meetings and expense management Marc Newman. It is an ambition he and colleagues intend to make reality through a formidable reshaping of both demand and supply management of the travel category at the company.

Novo Nordisk quite literally ranked sustainability as its top business travel priority in the survey of 318 travel buyers BTN conducted for this issue. The reason, according to Newman, is that the present hiatus on corporate travel offers an unprecedented shot at permanently shifting many interactions previously done face-to-face to virtual technologies.

“We had already started a campaign on greener travel,” said Newman. “We had targets we set ourselves in 2019 and 2020 in terms of travel and the use of [meetings] technology.

Now we’ve proven business can be conducted digitally. All that technology has come so far so quickly in the last 12 months that it would be a shame not to capitalize on it. I believe we have a unique opportunity to keep this momentum going in terms of our overall CO2 reduction ambitions.”

Novo Nordisk committed itself to deep environmental engagement in 2018 when it adopted a strategy it labels Circular For Zero. The intention is to shift the business from a linear to a circular economy, in which zero environmental impact is achieved by reusing and recycling existing resources where possible, and minimizing where not possible. Novo Nordisk operates a triple bottom line that measures and reports on environmental and social as well as financial performance.

Subsequently, the company has also committed itself to the Science Based Targets initiative to reduce greenhouse gas emissions in line with the 2015 Paris Agreement and 2018 Intergovernmental Panel on Climate Change.

The company is aiming for



**“We are willing for a short period to pay a premium but that should be in order for us to support innovation and growth.”**

**Novo Nordisk’s  
Dorethe Nielsen**

zero emissions by 2030 for what it terms Operations and Transportation, covering all Scope 1 (direct) and Scope 2 (indirect from electricity and other forms of power) sources plus some Scope 3 (all other indirect emissions), including business travel. In 2019, business flights accounted for 20 percent of Operations and Transportation emissions, a figure that fell to 10 percent in 2020 after Covid shut down most of the company’s travel.

Novo Nordisk aims to achieve by 2025 a 50 percent reduction compared to emissions caused by business flights in 2019. “And this year we’d like to get it down by 30 percent”, said Dorethe Nielsen, the company’s vice president for corporate environmental strategy.

The permanent reduction in trip volumes that would go much of the way to hitting this target looks feasible thanks to lessons learned over the past year.

“That’s been a little bit of a journey,” said Nielsen. “We had a culture where we needed to come into the office every day so the boss could look in your

eyes. And our travel habits were extensive. But in 2020 we really proved we can continue our business as usual, and maybe our executive team have also felt their work/life balance has improved.”

### THE CHALLENGES AS TRAVEL RETURNS

Recent experiences mean the travel and environmental teams believe they are now pushing at an open door, rather than a closed one, but that doesn't mean the pushing will stop. Business units have been set emissions budgets they are not supposed to exceed.

It is up to each unit and local leadership to determine how they spend their carbon budgets, which cover much more than travel, but the finishing touches are being put to guidelines they will be sent on how to reduce emissions caused by meetings and events. One obvious example for European-based employees is use of rail in preference to air where reasonable. Some of the guidance may become hard and fast policy rules, such as a ban on one-day international trips.

However, Newman is encountering obstacles familiar to any travel manager trying to go greener, perhaps the most formidable of which is a paucity of granular data. “Until we have good data, it's hard to set limits and budgets,” he said.

Examples of where the data is wanting include booking tools that show the same amount of CO2 for different airlines and departures on the same route, regardless of type of aircraft.

Newman also feels frustrated in his attempts to integrate the management and presentation of travel and virtual alternatives. In addition to standard desktop conferencing like Microsoft Teams, Novo Nordisk has invested heavily in more sophisticated telepres-



**COMPANY:**  
Chronic Disease  
Pharmaceuticals

**HEAD-  
QUARTERS:**  
Bagsværd,  
Denmark

### KEY GREEN TRAVEL EFFORTS:

- By 2030: Reduce business flight emissions by 50%
- Shift internal meetings to virtual
- Increase rail usage over air
- Introduce emissions messaging in OBT
- Potentially supporting SAF initiatives, including partnering with other pharma companies on SAF consortia purchasing

ence equipment. Newman has started working with facilities management at Novo Nordisk to work toward this concept, but at this point he is unable to take that cooperation as far as the point of sale for the potential business traveler.

“What I'd like to see is the ability when I go to book a trip on our online booking tool for something to come up asking ‘can you do this digitally and by the way it's going to save you this amount of CO2 and this amount of money?’” he said. “Our online booking tool has a module, but it doesn't really go far enough.”

### COLLABORATION, NOT COMPETITION

The current pause has shown Newman and Nielsen where virtual alternatives work fine, but it has made equally clear that for some crucial interactions, such as professional networking, travel will always be needed. Consequently, since Novo Nordisk, like all companies, will be unable to achieve zero travel emissions by the simple expedient of ceasing all trips, ways need to be found to green the supply chain.

One early victory has been ground transportation. In 2019, Novo Nordisk contracted a Danish taxi company with a 100 percent electric fleet as its preferred supplier. “It spurred other taxi companies to increase the amount of electric vehicles they have,” said Newman.

The theme of influence and cooperation runs throughout Novo Nordisk's supplier strategy, including collaborating with airlines because, Nielsen observed, “we need to fly, so we can't get to zero by ourselves. We have a huge role to push and work together in partnerships. This is also about the circular model, which is not something we can do alone. We are dependant on each other.”

Putting this principle into practice, Novo Nordisk has started to talking to airlines about assisting their transition to sustainable aviaional fuels. That support could be financial.

“We are willing for a short period to pay a premium but that should be in order for us to support innovation and growth,” said Nielsen. “We did the same when we signed our first partnership for renewable electricity in Denmark more than a decade ago. We paid a high premium but that led to excess capacity and then prices came down.”

To help lower costs, Nielsen also sees a potential opportunity for consortium buying of fuel with other pharmaceutical companies.

“I would like us to convene more sector-wise,” she said. “The environmental agenda is something on which we could join forces. We are not competing here. Why not go together and support airlines to do something good?”

Only once demand and supply management options have been exhausted will Nielsen contemplate “compensating”, also known as offsetting.

“We don't want to use it as an excuse for ‘cheating,’” she said. Nielsen believes there is validity in investing in tree planting and other carbon capture initiatives, but added that finding an appropriate scheme is “a jungle” that requires careful and time-consuming vetting.

No fewer than 400 employees at Novo Nordisk are actively engaged in some capacity in the company's carbon reduction efforts, but taking emissions from flights to net-zero by 2030 will surely be one of the most formidable achievements of all if the company can pull it off.

“It is a challenge,” said Nielsen, “but, as Marc says, we now have a great opportunity.”

# Greening the Travel Supply Chain

For the avoidance of doubt, as lawyers like to say, companies can eliminate their corporate travel emissions in only one way, and that's not to travel.

Yet, though that has happened during the coronavirus pandemic, business trips are not about to cease permanently. Even a slew of professional service firms which have made public net zero emission pledges in recent months have committed to reduce their travel-related emissions by, typically, 30 percent to 35 percent from 2019 levels—certainly not 100 percent.

But once companies have cut emissions by cutting their demand, is there any point in going on to address supply as well? Can a company's choice of, and engagement with, travel suppliers contribute in any meaningful way to tackling the climate crisis?

There is even an argument that a few token environmental questions in a request for proposal deflects companies' responsibility for reducing their travel-generated pollution from themselves to their suppliers. In that case, is attempting to green the supply chain futile at best, counter-productive at worst?

Absolutely not, according to those in travel who have engaged deeply with sustainability issues. "Managing demand is more important than managing suppliers but yes, it is still worthwhile," said Daniel Tallos, travel buyer for a large retail industry company.

Supplier engagement makes total sense for two key reasons, Tallos and other travel managers and sustainability experts

maintain. The first is that some supplier choices genuinely are less polluting than others. The second, perhaps overlooked, reason is that corporate customer pressure forces suppliers to go greener.

However, pressure of this kind is likely to succeed only if suppliers detect sincerity from

their customers. BTN's survey of travel buyers conducted for this special issue, suggests attitudes vary widely. While 14 percent ask travel suppliers for granular detail about emissions reduction, and another 30 percent for "some detail", 11 percent characterize their requests as no more than "checkbox-type" information

## THE PROCUREMENT COMMITMENT

To what extent does your organization ask emission-related questions in your supplier RFP or other sourcing process?

	ALL	EUR	U.S.
Checkbox-type information on suppliers' internal emissions reduction efforts	11.3%	11.40%	11.6%
I don't know	18.6%	20.30%	18.3%
None	26.2%	24.10%	28.0%
Some detail on emissions reduction programs for clients	8.9%	6.30%	10.4%
Some detail on internal emissions reduction efforts	20.6%	19.00%	21.3%
Granular detail on internal emissions reduction efforts as well as external benefits offered to clients	14.1%	19.0%	10.4%

Source: BTN 2021 Sustainable Business Travel Survey, 253 buyer respondents

If your organization asks emissions-related questions, do you actively make preferred supplier partner decisions based on those emissions details?

	ALL	EUR	U.S.
If all else is equal, supplier alignment on sustainability would come into play when selecting partners	36%	38.2%	35.2%
Pricing would outweigh any supplier sustainability efforts when selecting partners	18.60%	13.3%	20.9%
My organization does not seriously consider supplier sustainability efforts when selecting partners, even though we do ask for them	2.90%	2.6%	3.0%
Supplier alignment on sustainability goals significantly factors into partner selection	12%	18.4%	8.7%
We don't ask for any sustainability criteria	30.60%	27.6%	32.1%

Source: BTN 2021 Sustainable Business Travel Survey, 253 buyer respondents

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JUNE 16 2021

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VIRTUAL

9 JUNE 2021

10:30 – 16:30 CET

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requests and 26 percent say there is no engagement with suppliers on sustainability at all. Nearly a fifth of travel buyers don't know.

Then there is the question of what action clients take on the information they receive: 31 percent deploy no sustainability criteria in their supplier decision-making and 3 percent admit to not seriously considering the answers they do receive. Another 19 percent say pricing outweighs suppliers' sustainability records, while 36 percent say environmental factors are influential only if all other decision factors are equal.

However, 12 percent of buyers are doing things differently. They say supplier alignment on sustainability goals significantly factors into partner selection.

To make that difference, said Andrew Perolls, CEO of sustainable travel consultancy Green-gage, "buying decisions need to balance convenience, cost and CO2." But companies need to show real intent to convert this neatly alliterative slogan into practice. For Julia Fidler, senior sustainability program manager for procurement at Microsoft, that means upending traditional procurement practice and operating a double bottom line: one for financial performance and a second for environmental impact.

"We've delivered a signal by sharing that we're willing to pay extra for sustainable fuel," said Fidler. "Our ability to say we have looked at this beyond the normal procurement perspective has had a ripple effect. The interest from our peers and suppliers has been fantastic."

#### **MAKING LOWER-CARBON BUYING CHOICES**

"Before choosing between two airlines, we have to think: 'do we need to travel?'" said Horst Bayer, founder of TravelHorst Sustainable Business Travel Consulting. "If we decide it is necessary to travel, then yes, we should look at whether one

is more environmentally friendly than another."

Factors which inform this determination are complex. They include aircraft type, engine choice, load factor, fuel selection, route and altitude flown. According to Cait Hewitt, deputy director of the UK-based Aviation Environment Foundation, which campaigns on the impact of aviation on people and the environment, the differences can be huge. "The work most helpful to us is done by The International Council on Clean Transportation, which suggests there can be a difference of 60 percent on a transatlantic flight from one airline to another," she says.

Perolls cites evaluations by business travel carbon reporting consultancy Susterra of flight options to Glasgow from London's five airports. If customers choose London City Airport, CO2 emissions per kilometer can be 43 percent higher than from Gatwick because of the steepness of the climb on take-off and smaller aircraft types used.

However, obtaining reliable data for buyers to favor airlines which pollute less is difficult; and putting that information in front of travelers is even harder. Lack of data is the story asserted most consistently and with most frustration by every interviewee for this article. "It's worth trying to do but it's not information that's easy to get at time of booking," said Hewitt. "It doesn't seem possible to enter 'most fuel-efficient airline' as a search criterion. You might get an airline's average efficiency but it's harder on a route basis."

Lack of visibility is also the most critical challenge identified by Mark Avery, global business services and travel leader for PWC. The firm's UK travelers reduced travel-related CO2 emissions by 6 percent between 2007 and 2019 in spite of the business more than doubling in size over that period, but Avery feels he could achieve even more with



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**Microsoft's  
Julia Fidler**

good data.

"One of the challenges with where we are now is how do we help our people make environmentally friendly decisions?" Avery said. "We don't provide anything at point of sale to help travelers. First, we need to ask 'do you need to travel?' but then it doesn't say 'these are your choices and their differentiation in terms of sustainability.' I think we could get 10 [percent] to 20 percent carbon reductions just by getting the right data to share with the traveler at point of sale.

"Right now there is no discriminatory buying because of that lack of point-of-sale discrimination. The only way we can move the dial is if we can do that."

Tallos feels exactly the same pain. "Our travelers are coming to us asking how they can do the right thing," he said. "We're not in the right place to help them at point of purchase to make the right decision. We can't message what is a wiser choice."

#### **PRESSURIZING SUPPLIERS TO GO GREENER**

Avery finds that "getting emissions data from airlines is a challenge." He presses them for average emissions per passenger per route but it is rarely forthcoming.

Hewitt encourages buyers to keep pestering. "There is almost an immediate response from carriers that it's too complicated," she said, "but it would be helpful if travel managers put pressure on airlines to give them the data to make better decisions. It applies pressure on them to upgrade their fleets earlier than they would do purely for financial reasons."

That's only one way in which corporate customers can influence their suppliers. Hewitt believes clients should set out the environmental standards they expect of suppliers, for example by urging airlines not to resist being included in global net zero commitments.

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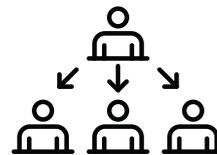
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Customer pressure also exerts a subtler kind of influence, which is on internal politics within suppliers. "Making connection with sustainability teams at suppliers is vital," said Microsoft's Fidler. "It's almost giving a green light to those teams to go further with their initiatives if they have clients who say 'this is important.'"

Avery is seeing the influence begin to tell. "We give suppliers feedback on how they compare environmentally to their peers," he said. "We invite them to speak to our sustainability people about why they have been scored in that way. You can tell how interested they are by their response. We've seen the quality of responses improve: We now have sustainability people completing the

surveys, not salespeople."

Supplier engagement on sustainability has the potential to go even deeper than that. One of the most striking examples is the declaration Microsoft made in October 2019 on paying a premium for sustainable aviation fuels equating to the total volume used on all flights undertaken by its employees on flights between the U.S. and Netherlands with KLM and Delta Air Lines. Microsoft and KLM have also committed jointly to other sustainable travel initiatives.

For Fidler, the priority remains avoiding travel where not required, but, she said, that's not enough. "The elephant in the room is that aircraft are still taking off even if your company's not on them," she said. That's why, in her view, a



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**PWC's  
Mark Avery**

modern approach to sustainability is to work with suppliers to be less polluting, not to shun them. Helping to finance a transition to biofuels is one example of what Fidler calls, "supporting early innovation".

But how much influence can any single corporate client exert on its own? Tallos wants to see buyers working together, especially through industry associations. "Pressing suppliers to go greener is an impossible quest unless customers take collective action," he said. "Suppliers' relative dependence on a single customer is marginal, thus their relative willingness to listen to is also very limited."

#### **CHOICE OF TRANSPORT MODE OUTWEIGHS CHOICE OF SUPPLIER**

However one cuts it, until the means by which aircraft are propelled change radically, greening the supply chain can only go so far when that supplier is an airline. "It's worth trying, although switching to rail will nearly always give you a better outcome," said Hewitt. "I've never seen evidence of a route that is more efficient by plane. Generally, emissions are reduced 90 percent when traveling by rail rather than air."

To return to Susterra's London-Glasgow example, making the journey by train causes emissions of 0.05kg of CO2 per kilometre compared with 0.23kg when flying from Gatwick or 0.33kg when flying from London City, and that's even before number of passengers (much greater on a train) is taken into account.

But Western Europe, China and Japan are perhaps the only places where rail is a consistent alternative to air, and even then only for journeys of a few hours. On most routes, if travel is deemed necessary, a more sophisticated approach to supplier management remains the only means of reducing environmental impact. ■

## **HOTELS: A TRICKY CATEGORY FOR SUSTAINABLE PROCUREMENT**

If data opacity makes sustainable procurement hard enough for the airline category, double that and add a nought on the end for accommodation. "Hotels are far more complex than transportation," said Microsoft's Julia Fidler. Making like-for-like comparisons between suppliers is fraught with difficulty. For example, newer hotels are more energy-efficient but weighed against that is the energy required to build a new property when established alternatives exist.

As a result, said Fidler, "I certainly don't know any single accreditation you can apply globally and that you could ask hotels to work towards."

Nevertheless, Microsoft makes what efforts it can. It shares hotels' sustainability initiatives with travelers and carries out environmental reviews at chain level. Perhaps most important in the short term, Microsoft is trying to fix the data problem by asking hotel suppliers to commit to the Carbon Disclosure Project, whose mission is to persuade suppliers to provide data and set science-based emissions reduction targets.

Daniel Tallos is another buyer stymied by lack of standardization but trying to effect change, for example by including the Global Business Travel Association's standard questions on sustainability in his company's most recent hotel RFP. "We are moving towards a point where, if they don't answer our questions in a meaningful manner, we won't work with them," Tallos said.

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