

**INSIGHTS**

<b>9</b>	Responsible Business Travel: A Pragmatic Approach
<b>17</b>	Air Alliances: How to Benefit
<b>23</b>	On Track for Benefits: High-Speed Rail and Business Travel
<b>31</b>	Effective Risk Management: Safe, Not Sorry
<b>35</b>	Watch Out: Rate Squatters About!
<b>39</b>	A Strong Case for Advance-Purchase Airfares

# Responsible Business Travel: A Pragmatic Approach

*What impact does business travel have on the environment and how can travel managers turn their travel programs “green”?*



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*“Enough PR. It’s time to deliver some real results.”* This comment, made recently<sup>1</sup> by Giovanni Bisignani, director general and CEO of the International Air Transport Association (IATA), sums up the conclusion many business and political leaders are reaching on the environment. Companies are increasingly required—by stakeholders, if not by law—to provide detailed reports on their carbon footprint and to work toward reducing their emissions. Travel managers can contribute by examining the environmental impact of business travel and helping employees “travel smarter.” Taking a pragmatic approach to carbon calculating and management is a good place to start.

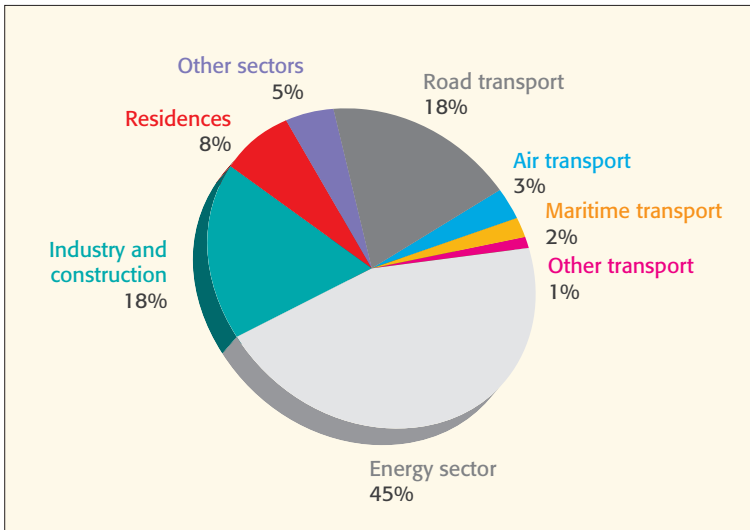
## How green is my travel?

According to the U.K.’s Institute for Public Policy Research, a traveler taking a round-trip flight from London to Perth, Australia, produces as much carbon as the average Briton does in one year. CE Delft, a non-profit environmental agency, calculates that for a single journey of 1,500 kilometers (932 miles), aircraft emit approximately twice as much greenhouse gas per passenger kilometer as cars or high-speed rail. For a distance of 500 kilometers (310 miles), they emit six times more. While different experts produce different figures, they generally agree that air—the staple of business travel—is a particularly “carbon-heavy” mode of transport.

<sup>1</sup> IATA Annual General Meeting and World Air Transport Summit, June 3-5, Vancouver

Surprisingly, aviation is not the largest polluter in the transport sector: it represents only 3 percent of all global carbon emissions, according to the International Energy Agency (IEA). This compares with approximately 18 percent for road transport, 2 percent for sea transport and 1 percent for other transport (including rail). Air travel is, however, one of the fastest growing contributors to global warming, according to many sources. For example, the European Environment Agency calculates that carbon emissions from flights rose by 86 percent between 1990 and 2004, canceling out a quarter of the reductions in emissions made by other sectors. According to the Intergovernmental Panel on Climate Change, if global airline emissions continue to grow at the same pace, they could double by 2025 and reach 15 percent of the world total by 2050.

### Air travel represents 3% of global carbon emissions, compared to 24% for all transport



Source: International Energy Agency (2005)

Yet the future may not be so bleak. IATA underlines that fuel efficiency in the airline industry has improved by 70 percent over the last four decades and will improve by a further 25 percent by 2020, thanks to new aircraft—notably, the Boeing 787 and Airbus 380 “superliners” which will consume fewer than 3 liters (0.8 U.S. gallons) of fuel per 100 passenger kilometers, compared with an average of 4 liters (1 gallon) of fuel today and 5 liters (1.3 gallons) 15 years ago. As a result, carbon emissions from air travel could grow by just 1 percent by 2050, according to the United Nations, which estimates current aviation emissions at just 2 percent (compared to the 3 percent estimated by the IEA).

Future emissions could be lower still if governments and airlines cooperate fully. To that end, IATA believes a zero emissions aircraft is possible within the next 50 years and is pushing for more efficient air traffic control—the association says the planned Single European Sky (a restructured airspace with harmonized, cross-border management) would save up to 12 million tons of carbon. IATA also supports the principle of an emissions trading scheme for aviation, which would force airlines to limit their carbon emissions or pay for any surplus.

When considering the impact of travel on the environment, companies should think beyond air and consider other components of business trips, such as hotel stays. CWT calculates that each room night generates approximately 28 kilograms (61.7 pounds) of carbon, based on offset averages. Although hotels have largely ignored international environmental management standards such as ISO14001, an increasing number of properties are implementing green policies. It is clear that the travel industry as a whole has begun to act.

### Suppliers “going green”

Airlines, hotels and other industry players are rallying to the green cause. Many are offering carbon-offsetting services to customers, while others are also undertaking carbon-reduction initiatives or investing in energy-efficient technologies. The following are some examples:

- **Air.** Airlines like **Air Canada, British Airways and Delta Air Lines** have announced carbon-offsetting schemes that enable travelers to purchase carbon-neutral flights when booking via the Internet. **Silverjet**, a new low-cost airline operating all-business transatlantic flights, has made carbon offsetting compulsory by including it in ticket prices. Another approach is partnering with environmental organizations: **Star Alliance**, for example, supports three global projects, including the UNESCO-Man and Biosphere Program. Other airlines are communicating on how “clean” their fleet is. **Ryanair**, for example, claims to be Europe’s greenest airline, thanks to investments in new aircraft over the past five years. The most significant move so far, however, has been initiated by the **Virgin Group**, which will invest profits over the next 10 years into a US\$3 billion “Virgin Fuels” project to develop renewable technologies.
- **Rail.** France’s **SNCF** has introduced a carbon calculator to help build customer awareness. **Eurostar** has gone one step further with its “Tread Lightly” campaign, which will include carbon-neutral travel at no extra cost to customers, starting in mid-November this year. The company also plans to reduce its carbon emissions by a further 25 percent per traveler by 2012 through more efficient use of train capacity and other measures. Meanwhile, **Virgin Trains** launched Europe’s first biodiesel passenger train in the U.K. in June and, like its sister company Virgin Atlantic, plans to contribute profits to Sir Richard Branson’s Virgin Fuels project.
- **Hotels.** Many hotel chains and individual properties are reinforcing their green credentials, often as members of environmental associations or through certification programs such as the Green Hotels Association or Green Globe. In addition to committing to eco-friendly operations, including energy conservation and recycling, hotel managers are increasingly thinking green right from the design stage. For example, in October last year, **Starwood** announced plans to build “1” Hotel and Residences, designed in cooperation with the Natural Resources Defense Council. The **Rezidor Hotel Group’s** award-winning Responsible Business program also stands out for its company-wide commitment to day-to-day, environmentally friendly action.

- **Car rental.** Hertz recently announced plans to expand its “Green Collection” of fuel-efficient, hybrid rental cars, as a complement to existing eco-friendly initiatives that include reusing 80 percent of waste water in car washes, working only with vendors who recycle oil and using energy-efficient equipment in its offices. Other car rental companies such as Avis and Europcar have also announced green initiatives, mainly at a country level.
- **GDSs.** Galileo has announced it is working on a customer tool that will measure carbon emissions. Its parent company, Travelport, has also announced a company-wide ecology program and specific initiatives such as offsetting participants’ travel to the World Travel and Tourism Council last May.
- **Travel associations.** Industry groups are stepping up their efforts to help companies go green through events, training, research and practical guidelines. The Association of Corporate Travel Executives (ACTE), for example, has set up a new Global Center for Research, whose first task is to explore climate change. At the same time, the Institute of Travel Management (U.K. and Ireland) has launched Project Icarus, a program including a toolkit of practical advice for travel managers.
- **Travel Management Companies (TMCs).** All the major global TMCs are developing an environmental offering, while stepping up green initiatives within their companies. CWT, for example, has launched a carbon calculator to help clients compare the environmental cost of air and rail travel and make greener choices. Post-trip carbon reporting is also available.

### A pragmatic approach to sustainable travel

Faced with industry-wide concern for the environment and evolving products and services, travel managers are increasingly keen to turn their travel programs green. In February, an ACTE/KDS survey reported that only 33 percent of companies have a green travel policy, while only 20 percent calculate carbon or favor environmentally friendly providers. This, however, looks set to change. A strong sign is the increasing number of environmental criteria that companies are including in their requests for proposals—one CWT prospect recently listed 60 questions, ranging from the type of fuel used by different suppliers to the proportion of e-tickets issued. Companies also want to know what a TMC’s environmental credentials are and how it can help them go green.

In response, CWT recommends a pragmatic approach:

- **First, think simple when calculating your carbon footprint and the impact of your company’s travel.** To be strictly accurate, calculations should take into account a wide variety of factors. For example, carbon emissions from flights depend on not only the distance flown and type of aircraft, but the flight altitude, load factor, airports (taxiing times vary) and weather. Yet few suppliers have all the data at their fingertips or share it publicly.

For the moment, it is difficult to know which airlines are the cleanest on specific routes, although they are likely to be those with the most modern fleets. What is certain is that train travel generates significantly less carbon than air travel—approximately three times less per passenger kilometer, according to CWT calculations. In the future, more sophisticated data will undoubtedly be available and may well become a legal requirement for suppliers. In the meantime, companies can already make decisions based on available industry averages. Defra, the U.K. Department for Environment, Food and Rural Affairs, has taken this approach, launching a carbon calculator for travelers developed by CWT. (See below.)

## Carbon Calculator

**CO2 calculator**

mode of transport  air  
 rail

From

IATA code if known

To

IATA code if known

single  
 return

Rail alternative for air

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**CO2 emission result**

From LONDON HEATHROW APT (LHR)  
 To PARIS CHARLES DE GAULLE APT (CDG)  
 CO2 emission 100.01 kg  
 Journey time HHMM 02:20  
 Distance 666.7 km

**Alternative rail connection**

From LONDON WATERLOO RAIL STATION (QOW)  
 To PARIS GARE DU NORD RAIL STATION (XPG)  
 CO2 emission 28.80 kg  
 Journey time HHMM 05:30  
 Distance 720 km

## Calculating Carbon

The carbon calculator is available to CWT clients around the world. It makes a standard carbon dioxide calculation on any point-to-point air or inter-city rail route, allowing travelers to make more environmentally friendly choices in transport. The tool will soon provide carbon estimates for hotel stays and rental cars.

Calculations are based on data provided by AEA Energy & Environment, a U.K.-based environmental consultancy.

- Average carbon emissions per passenger kilometer:
  - ▶ Long-haul air (> 600 km): 110g
  - ▶ Short-haul air: 150g
  - ▶ Rail: 40g
  - ▶ Car: 190g
- Average carbon emissions per hotel room night: 28kg

- **Second, find ways to “travel smarter” and limit the environmental impact of travel.** The first question to ask is if a trip is really necessary or if it can be replaced by solutions such as video- and audio-conferencing. As technology improves, virtual meetings could become an increasingly attractive alternative. Assuming, however, that most travel will be considered necessary for some time to come, the key is to integrate the carbon factor into the travel program as realistically as possible.

For example, the environmental argument could tip the balance in favor of rail on some routes. It may also be possible to favor direct flights over connections in certain cases. Similarly, by using a simple carbon calculation based on distance and mode of transport, a meeting organizer could select a location that would limit the carbon generated by participants. As more data becomes available, companies will also find it easier to choose from among suppliers on different routes, based not only on suppliers' own environmental policy, but the whole range of criteria that impact the amount of carbon emitted.

- **Third, use offsetting responsibly and as a final phase of emissions management, not as an end in itself.** Companies need to reduce, not just neutralize, their carbon emissions to help stop global warming. Offsetting merely delays climate change by balancing emissions with a process that absorbs an equivalent amount of carbon dioxide. Depending on the method used, neutrality is achieved over a longer or shorter period of time. For example, new forests must grow before they can process carbon.

There are many different types of offsetting services available on the market. These include reforestation, renewable energy, methane recovery, education and environmentally friendly projects in the developing world. A lack of common standards and information, however, means that not all providers are equally credible. Some providers, for example, simply plant trees while others ensure that new forests are managed on behalf of clients. In addition, it appears that no single provider can manage offsetting projects throughout the world. Most are specialized in one or a few



types of offsetting and are limited geographically. The most effective approach, therefore, may be for companies to identify a best-in-class partner in each region. To that end, CWT is in the process of selecting partners worldwide to offer clients a range of carbon management and offsetting options.

■ **Fourth, anticipate the costs of setting up and running a green travel program.**

The costs include data analysis, policy development, communications and training to raise awareness, carbon calculation and reporting tools, and carbon management/offsetting services. Some of these costs may already be included in a travel management contract. Others, such as offsetting, will cost extra. A company could pay roughly 0.2 percent to 1 percent of its total travel spend for offsetting, depending upon domestic and international travel patterns.

### A greener future

Travelers' own awareness of the "need for green" will play a key role in companies' efforts to reduce the impact of their travel on the environment. As carbon calculators become more widespread, employees should become "carbon literate," (i.e., aware of their "personal kilometers of carbon" [PKCs] for each type of trip.) This is likely to produce a major shift in thinking. Carbon management may also become a legal requirement for all companies, beyond the heavy industries that are currently required to abide by environmental regulation in Europe. These developments are likely to push up the costs of travel and travel management, but at the same time, green credibility will be critical in all areas of business. Companies that are quick to embrace sustainable travel will have a continuing advantage. ■

