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Traveling Green

Linking Executive Travel to Corporate, Community, and Environmental Values

by Steven M. Godeke, Senior Research Advisor, Business Enterprises for Sustainable Travel

Executive travel provides the next opportunity for organizations to demonstrate to their employees, suppliers, customers, and communities that they “walk the talk” on corporate citizenship

By linking environmental, community relations, and human resource goals through creative business practices, companies around the world are developing innovative travel programs that can reduce environmental impacts, improve the quality of life in local communities, and increase employee commitment and corporate reputation.

As the second largest variable expense for most organizations, the main criteria in determining corporate travel purchases have historically been cost, security, and convenience. Organizations are now discovering opportunities to develop business expertise, improve employee morale, and engender positive community relations through their corporate travel policies. Not only can companies reduce direct environmental impacts, but also raise their citizenship profile through their travel purchase decisions.

Reduced Carbon Dioxide Emissions and the Non-Manufacturing Sector—Is It Really Relevant?

Historically, companies have focused on manufacturing as the primary source of carbon dioxide (CO₂) emissions, but now environmental, health & safety professionals responsible for determining the “environmental impact” or “footprint” of a company’s operations are realizing that manufacturing plants are not the only source. In fact, non-manufacturing companies like insurer Swiss Re or the financial services firm Sustainable Asset Management have discovered that executive travel has a major impact on their environmental footprint. For example:

Swiss Re determined that 70 percent of its total carbon dioxide (CO₂) emissions is due to business travel and now encourages its employees to use video- and tele-conferencing in lieu of air travel.

Nike has entered into a program with Delta Airlines through which Nike and Delta donate a portion of the ticket price to offset CO₂ emissions.

HSBC Holdings will be sending 2,000 employees on ecological research expeditions over the next three years to work as volunteers under the auspices of the Earthwatch Institute. Upon their return, they will share their experiences with colleagues and create related projects in their communities.

Sustainable Asset Management, an international asset manager specializing in sustainability-driven investment strategies, has completely eliminated the impact of its CO₂ (primarily caused by travel) by reducing its emissions by 1.5 percent per year and then offsetting the non-reducible balance by financing a bio-mass fuel-switching project in India.

Unilever Case Study from UK

Measuring CO₂ Emissions from Business Travel

“Increasing demand for companies to measure their output of carbon dioxide, the principal greenhouse gas, has focused on manufacturing. This is because it has been traditionally associated with energy consumption, to produce steam and electricity.

But other areas of business, such as business travel, can have a significant impact on carbon dioxide emissions. This was confirmed by a study that compared the carbon dioxide emissions from energy used for production and transport at two adjoining sites of similar size in Port Sunlight, UK. Before starting work, researchers assumed the energy consumption of the Lever detergent plant would be disproportionately higher than the adjacent site which houses Unilever’s research scientists. While the emissions of the factory were indeed three times more than the science block, the scientists produced a significant impact, mainly from business travel.”

Source: www.unilever.com/environmentalsociety

Expanding the Parameters of Corporate Citizenship

The relationships among corporations, communities and the environment have become increasingly complex. The traditional concepts of community relations and corporate philanthropy do not capture the current operations of corporations around the globe. In a recent report *Corporate Citizenship in the New Century, Accountability, Transparency, and Global Stakeholder Engagement* (Research Report R-1314-02-RR) The Conference Board identified several factors driving these changing relationships:

Globalization as a result of the worldwide expansion of business, private enterprise, and the market economy;

Heightened expectations—from consumers and society at large—that business can and should fill needs formerly left to governments;

An assertive civil society and NGO sector empowered by information technology and public trust;

Influence of the environmental movement’s growing emphasis on transparency, sustainability, accountability, and “triple bottom line” reporting; and

Markets for capital employee talent are moving toward punishing companies that slip and fall in citizenship matters—and favoring those firms that rise to meet the challenge.

Traveling Green on Business

To limit their environmental footprint, many organizations are currently targeting their CO₂ emissions as a first step while others are actively seeking out travel and lodging vendors who supply environmentally-sound products. The road to climate neutral travel begins with two basic steps:

Step 1: Define Your Environmental Footprint

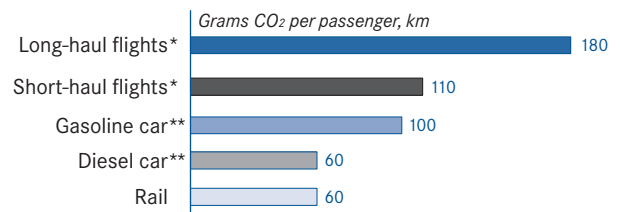
Traditional facilities-based environmental management does not fit the reality of the information-based economy. While some companies in their environmental reports state the role of business travel in reducing their environmental impact, few have successfully translated broad sustainability policies into the purchase decisions of individual business travelers and corporate travel managers. Like in the cases of Unliver, Swiss Re and Sustainable Asset Management, one has to avoid traditional thinking and outdated metrics to truly define a company's full environmental impact and ways to improve it.

Step 2: Gather Data on Your Company-wide Travel

A company-wide tracking system with data in the appropriate format (miles-flown, driven, fuel economy assumptions) is a prerequisite to the management of business travel. An organization with a centralized travel database used to track trips for cost management purposes (See Executive Action No. 36, "Setting Executive Travel Policies") is well positioned to use the same travel data for determining its environmental footprint. Organizations that manage travel at local units or only receive cost information from outside travel vendors face a potential roadblock.

The World Resources Institute (WRI) has developed a guide for office-based organizations to measure and then reduce their CO₂ emissions based on the Greenhouse Gas (GHG) Protocol, a multi-stakeholder partnership of businesses, NGOs and governments, led by the WRI and the World Business Council for Sustainable Development. The GHG Protocol is a leading source for corporate GHG accounting and reporting and draws on the expertise and contributions of individuals and organizations from around the world. It includes templates on how companies can calculate and reduce the impact of business travel.¹

GHG Emissions Vary Significantly Across Travel Options



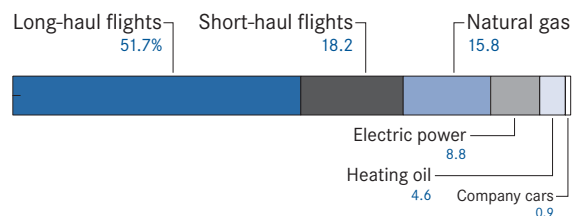
* Long-haul = more than 500 miles; short-haul = less than 500 miles

** 2 passengers per car

Source: Department for Environment, Food and Rural Affairs UK. See www.defra.gov.uk/environment/envrp/gas/19.htm

Building on work started at its domestic Swiss operations, Swiss Re's Internal Environmental Management Group has expanded its executive travel database to 20 locations worldwide. It now discloses its company-wide CO₂ emissions in its Ecological Sustainability Report.

CO₂ Balance of Swiss Re, Zurich—2001



Source: "Ecological Sustainability at Swiss Re—practiced on a daily basis", pg. 17, Swiss Reinsurance Company, Zurich, 2002.

¹ See "Working 9 to 5 on Climate Change: An Office Guide," by Samantha Putt del Pino and Pankaj Bhatia, World Resources Institute, December 2002 at <http://www.safeclimate.net/action/officeguide.php>. The Greenhouse Gas Protocol is available at www.ghgprotocol.org.

Is Zero Impact Possible?

Some organizations such as Sustainable Asset Management have set the ambitious goal of zero environmental impact and are working with several initiatives that assist organizations in this process by purchasing carbon/ climate offsets. An offset is an emission reduction or removal project through which another entity reduces its emissions. The organization may purchase the offsets directly or work through a foundation that screens and helps to fund carbon dioxide offset projects. The offset purchases often provide creative opportunities to assist communities as well as to reduce the environmental impact. For example, Nike's travel department partnered with Delta Airlines to create Eco-Class. When employees fly with Delta Air Lines, Nike and Delta both donate a portion of the ticket price to offset CO₂ emissions. According to the Nike Corporate Responsibility Report, Nike employees fly an average of 110 million miles a year in the U.S. alone.

The Road to Climate Neutral Travel

- 1 Determine how climate neutral products fit into the company's strategic and operating goals. For example, some companies may view specific environmental programs as part of their brand.
- 2 Calculate Footprint. Take steps to minimize emissions through internal conservation programs and process re-engineering. This may start with pilot projects at specific sites and then be expanded to the entire organization.
- 3 Decide on scope and type of carbon offset to be purchased. Options include energy savings investments in local schools and communities, the planting of trees, or purchase of energy from renewable resources.
- 4 Link offset purchase to company's corporate citizenship goals and communicate them to employees and other stakeholders.

Case Study: Making Offsets Work

World Resources Institute

"WRI's emissions are indirect, originating not from onsite combustion of fossil fuels, but mostly from use of electricity generated from fossil fuels at power plants and air miles traveled by WRI staff. Despite efforts to reduce emissions from these sources, it was clear near the end of FY2000 that WRI's emissions were not much less than a year earlier—and still well above estimated 1990 levels. While WRI was able to reduce emissions from electricity use by conserving and improving efficiencies, these gains were outweighed by increased air travel. Consequently, to achieve a significant reduction in net emissions for FY2000, WRI had to rely more heavily on offsets than it had hoped. Trexler and Associates, Portland, Oregon-based climate mitigation experts, provided a portfolio of offset options for WRI to review. The staff elected to choose a project that was within the US, approved by the Climate Neutral

Network, and that was designed to reduce emissions as opposed to sequestering carbon. Additionally, staff decided to offset the organization's total CO₂ emissions for FY2000, thus achieving the FY2005 goal early. The offsets purchased by WRI will contribute to a project that combines the upgrade and replacement of boilers in Portland public schools to reduce CO₂ emissions. Existing oil steam boilers will be exchanged for lower CO₂ emitting natural gas-fired steam boilers and increased efficiency will be achieved through the installation of computer monitoring technology."

Source: See "Working 9 to 5 on Climate Change: An Office Guide," by Samantha Putt del Pino and Pankaj Bhatia, World Resources Institute, December 2002 at <http://www.safeclimate.net/action/officeguide.php>

Resources

Organizations that assist companies and individuals in managing their CO₂ emissions:

Climate Neutral Network www.climateneutral.com

Climate Care www.co2.org

Future Forests www.treesftf.org

Greenhouse Friendly www.greenhouse.gov.au

Americanforests www.americanforests.org

Nativenergy www.nativeenergy.com

Trexler and Associates www.climateservices.com

500ppm www.travel.500ppm.com

Impacts Up and Down the Supply Chain

While organizations can account for and manage the direct impacts of their in-house activities, the quantification of environmental performance up and down the supply chain can be challenging. As consumers of travel services, many companies and organizations are not aware of how they can be informed about, let alone influence, the environmental and community activities of travel and lodging suppliers. The Green Hotel Initiative, sponsored by CERES (www.ceres.org), provides corporate travel purchasers with the tools to assess the current practices of their lodging suppliers through its “Best Practices Survey” and to demonstrate their desire to avail themselves of these services through its “Guest Request Card.”

The Green Hotel Initiative

The objective of the Green Hotel Initiative (GHI) is to increase and demonstrate market demand for environmentally responsible hotel services. Despite the promotion of environmentally sound practices by advocates, even within the industry, hotels currently feel little demand for these services.

The GHI identified the tremendous potential that exists in the combined buying power of corporate and organizational purchasers of hotel services. The ongoing challenge for the GHI is to determine how to leverage that buying power to increase the supply of green hotel services.

Two major obstacles typically frustrate purchasers from communicating their preference for environmentally responsible hotel services: (1) a lack of information about environmental options and (2) a lack of time to research the environmental performance of hotels. While institutional purchasers are inclined to use green hotel services, they need improved access to

environmental information in order to include such considerations in their purchasing decisions. The GHI has developed the following tools:

The Best Practice Survey, an easy-to-use list of criteria that helps a purchaser to assess a hotel’s environmental commitment and performance, has been a major driving force behind the GHI. Companies and organizations are now committing to use the survey and to include environmental considerations when they select hotels.

The *GHI Guest Request Card* helps individual travelers to request environmentally responsible services upon checking-in to a hotel. It also sends an important message to hotels that there is a customer demand for environmentally friendly services.

Source: CERES

Cost Control and Environmental Performance

Many environmental programs also result in cost savings – a key consideration for most corporate travel purchasers. Like many organizations, Credit Suisse has a sustainability policy regarding business travel, but the policy did not result in significant reductions in miles flown.² However, the current economic downturn and the increased focus on cost management have led to a drop in travel volume. According to Michelle Lee, the managing director in charge of the bank’s internal client services group, “Credit Suisse now has a policy where if someone is travelling from New York to London, for example, we will ask them to consider a cost-effective alternative to travel by utilizing our video- or tele-conferencing facilities. Even before this approach, the use of video and tele-conferencing at Credit Suisse had already risen 17 percent over the prior six months while the number of air journeys had fallen 19 percent.”³ Organizations are finding that conference calls more efficiently utilize employees’ time in addition to saving direct travel costs.

The Human Element

Employees are a key constituency of any corporate sustainability program. As demonstrated by HSBC’s innovative employee volunteer program with Earthwatch Institute, companies can provide opportunities for employees to enhance the civic reputation of their employer as well as provide benefits to the employees. In a recent article in *Green@Work* magazine, Shawn Fitzgibbons, Earthwatch’s director of corporate programs stated, “Human resource programs that educate, train, energize, and inspire staff can be as critical as the impact-reducing physical systems they enable. Doing so will create a staff that is firmly committed to both their employer’s bottom line and its social and environmental goals.”

Travel enables the business man or woman to develop a better understanding of the local conditions and cultures that will ultimately affect the success of their business objectives and their ability to operate in diverse settings. In addition, growing numbers of travelers are seeking out environmentally and socially sound options in their leisure travel and may not want to check their values when they travel on business.

Everyday, companies face the immediate challenge of staying in business while still contributing to the improvement of the environment and the long-term viability of communities where they operate and sell their products. As demonstrated by the wide range of projects and approaches described here, this is not a one-size-fits-all activity. However, successful projects tend display certain common characteristics:

Linkage with the the operations, strategy and culture of the organization;

Emphasis on the connections among environmental, human resources and community goals; and

Clear and consistent communication to all stakeholders as to the goals and progress of specific initiatives.

² Credit Suisse Group Sustainability Report 2001, p. 17.

³ Cohen, Amon, “Thinking anew about policy Credit Suisse First Boston,” *Financial Times*, May 24, 2002.

Individual Business Travelers Making a Difference

While organization-wide policies, programs and mandates can be very effective as a company links its environmental and social practices, some organizations may choose a more decentralized approach. The following suggestions are useful for individual travelers as well as for corporate travel policy makers:

Planning

Can the goals of the trip be achieved through an alternative like video-conferencing or combined with another meeting?

Use e-tickets.

Before leaving home, **turn down the thermostat and water heater and stop your newspaper.**

Transportation

Limit air travel to non-stop, long-haul flights when possible. Short flights and multiple take-offs and landings increase emissions.

Rent fuel-efficient cars. In some locations in the U.S., it is possible to rent super-efficient gas/electric hybrids and electric cars from Budget.

Travel by train when feasible. Rail travel uses one-half the energy per passenger mile of planes.

Use public mass transportation wherever possible. Take advantage of group taxis or vans.

Bicycles are great way to see a community first-hand.

Walk. Purchase good maps of your destination and ask about on-foot touring opportunities.

Lodging

Be counted. Fill out the guest comment cards and suggest specific improvements to the hotel's practices. According to PricewaterhouseCoopers, only about 3 percent of hotel guests turn in comment cards.

Select hotels that conserve natural resources: water, electricity, use recycled products and non-toxic cleaning products.

Conserve energy. Turn off lights, television and air conditioners when you leave your room.

Reduce water consumption by opting out of frequent changes of towels and bed linens.

Reduce electricity consumption by using hotels that favor fluorescent or other low-energy lighting.

Stay at lodgings that emphasize local traditions.

In Hawaii, the Ka'anapali Beach Hotel on Maui trains its personnel extensively to share the native culture and history of indigenous islanders with its guests.

People & Places

Seek out community tourism offerings whenever possible, such as walking tours, homestays, or purchases of locally made products.

Buy from local enterprises. In Asheville, North Carolina, in the Blue Ridge Mountains, Handmade in America (www.wnccrafts.org) distributes maps to motorists to enable them to visit local craftspeople and purchases their wares.

Seek out excursions offered by local or indigenous people. For example, The Western American Indian Chamber promotes tourism in harmony with tribal cultures, traditions and beliefs. A database of such opportunities in Indian Country in the United States is located on www.nativetourism.org.

Patronize locally-owned restaurants that provide jobs to residents and utilize local vendors, generating income for the community.

Know your hosts. Consider how much effort is being expended to make you comfortable, and express your appreciation with gratuities.

Be an on-the-road philanthropist. If you are inspired by the natural environment of a destination or enriched by its culture, join in preserving its integrity by making a charitable contribution to a local organization. A number of travel businesses offer their guests an opportunity to make gifts through local charitable foundations that are knowledgeable about local needs.

Volunteer your time, skills and talents. For example, visiting physicians have established an annual medical clinic on Turtle Island in Fiji where blindness at an early age is common. Join such groups as Earthwatch International or Habitat for Humanity.

Spread the word. Upon return home, tell colleagues and friends about places to visit that will benefit greatly from their travel spending, and reward sustainable enterprises by recommending their services.

Source: Michael Seltzer, Business Enterprises for Sustainable Travel, "Travel the Talk," *Environmental Grantmakers Association Magazine*, September 2002.

About the Author

Steven Godeke is Senior Research Advisor to BEST and The Conference Board for executive travel, financial markets, and corporate citizenship. He has also worked in corporate finance, risk management, and strategic planning positions at Deutsche Bank.

About BEST

BEST (Business Enterprises for Sustainable Travel) is an initiative of The Conference Board in association with the World Travel and Tourism Council. It is the premier source of knowledge on travel and tourism practices that benefit communities worldwide. Visit online at www.sustainabletravel.org.

New Knowledge and Networking Opportunities

BEST is launching a new network for business travel decision-makers focusing on emerging travel practices that apply sustainability to executive travel. For further information, please contact best@conference-board.org.

The Conference Board, Inc., 845 Third Avenue, New York, NY 10022-6679
Tel 212 759 0900 Fax 212 980 7014 www.conference-board.org

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