

August 2008

Worldwide

Creating a sustainable travel program helps realize environmental goals

Business travel has been “going green” in recent years; but savvy travel program managers are more interested in creating a sustainable business travel program that focuses on not only reducing the environmental impact of their company’s travels but also on achieving commercial goals at the same time.

Many business people initially think of sustainability and environmental initiatives in terms of what they should be doing, a philanthropic effort with benefits limited to improving their image as a “green” company. In actuality, sustainable business practices are good not only for the environment but also for the core business of most companies.

A recent study from PriceWaterhouseCoopers and GMA¹ underscored the commercial benefits of sustainability efforts: it found that “companies that report sustainability data generally experience higher gross margins and return on sales, higher return on assets, and stronger cash flow and rising shareholder return.” The explanation is simple:

1. Companies that operate using sustainable practices tend to have lower energy costs and lower production costs
2. Consumers have started to select products produced in a sustainable manner over those that were not

Sustainable business practices are good not only for the environment but also for your company’s core business

Given the commercial and philanthropic benefits of sustainable business practices, it is no wonder there is a broad, worldwide trend of increased focus on companies’ environmental impact as a whole. Customers are demanding to know how “green” companies are and the media is covering the issue extensively.

Ultimately, shareholders want to ensure the long-term viability of their company from a competitive and risk management standpoint in the face of increasing attention to environmental issues and potential regulation of emissions management.

To apply the principles of sustainable business practices to the area of travel management, you must consider four key areas:

Supplier Selection

Choosing suppliers who employ sustainable business practices is the first step in improving your travel program in this area. Across the travel industry, suppliers have been taking steps to improve their performance in this area:

- Airlines have introduced carbon offsetting initiatives for travelers. Rail providers have introduced carbon calculators to help travelers assess their options.
- Hotels have reinforced their “green” credentials by committing to eco-friendly operations and obtaining certifications of their environmental status.
- Car rental companies are employing greater use of fuel efficient and hybrid vehicles while also improving water and other recycling efforts within their operations.
- Travel management companies are offering products and services that can help your program assess and improve its environmental impact in travel.

Use questionnaires or requests for information to better understand current and prospective suppliers’ environmental initiatives, products, and services.

Traveler choices

Educating travelers about the environmental impact of their travel choices helps to engage their support in your company's sustainability efforts. You can increase the visibility to travelers and travel arrangers of their carbon footprint simply by adding a carbon calculator to help them compare one option to another. Ensuring that your hotel program and booking tools indicate which properties have "green" certification can help travelers choose those within your company guidelines that also help your company reduce the environmental impact of travel. Communication through your travel policy on the importance of choosing a supplier with a lower environmental impact—or even advice on when a trip should be replaced with a web or video conference—can help travelers and travel arrangers make educated choices when booking a trip.

CO2 calculator

mode of transport air
 rail

From
 IATA code if known LHR

To
 IATA code if known CDG

single
 return

Rail alternative for air

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 ST PANCRAS RAIL STATION (QQS)
To	PARIS GARE DU NORD RAIL STATION (NPG)
CO2 emission	28.80 kg
Journey time HHMM	05:00
Distance	720 km

Measurement

If you don't know the environmental impact of your company's business travel, you cannot assess how to improve it. Environmental reporting, most often focused on carbon emissions, is a critical element to establishing a

sustainable travel program. This data will not only help you conduct an initial assessment of your travel program's environmental impact; but it will also provide important measurement of the success of sustainability efforts. Environmental reporting should include all business units and be available at a local, regional, and global level so you can communicate to key stakeholders within your company how your program is doing in this area.

Reductions and offsets

Most sustainable travel programs strive to reduce the environmental impact of their company's travel, and many also include plans to offset what carbon emissions they must incur to continue with the core business of the company. Reductions can be achieved through many of the initiatives mentioned above and also:

- Encouraging meeting organizers to select locations that will limit the carbon impact of the travel to and facility used for the meeting
- Asking travelers to consider direct flights instead of connections—this has a dual benefit of reduced emissions and improved productivity for the traveler
- Consider emissions ratings when choosing suppliers—airlines with newer fleets tend to have more fuel-efficient aircraft; hotels with green certifications; car rental companies with hybrid and fuel efficient options

Offsetting can help neutralize the environmental impact of travel for a period of time. There are many different types of offset services, including reforestation, renewable energy, methane recovery, and education. Each has its own benefits; partnering with an emissions management company that has a clear understanding of the commercial goals of your company is the key to ensuring these efforts are successful.

How CWT can help you build a sustainable travel program

CWT is helping clients build sustainable travel programs by enabling travel management professionals and travelers to make well-informed decisions that may reduce their carbon footprint.

CWT has a three-fold offering, *CWT Sustainable Solutions*, to help you improve the sustainability of your travel program:

- **CWT Carbon Calculator** helps your travelers assess the environmental impact of their travel choices at the point of sale so they can make informed decisions about what travel option best meets their needs.
- **CWT Program Management Center** emissions reporting helps you measure the carbon footprint of your travel program as a whole, allowing you to track trends and measure progress towards reduction goals.
- **CarbonNeutral, CWT emissions management partner** offers advanced solutions for companies interested in reducing their carbon footprint in travel, with a clear emphasis on the commercial benefits of such activities.

For more information about these products, please contact your CWT account representative.

