



The State of Climate Action in Business Travel

Global Industry Barometer 2023

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Foundation Report
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Introduction

Business travel is at a critical juncture. As we continue to reimagine the industry in the wake of the pandemic, we must consider what a resilient future for business travel looks like. The urgent challenge of climate change necessitates that we “own” the issue and develop solutions that will allow us to continue to travel for the long term.

In 2022, the Global Business Travel Association (GBTA) conducted its first “State of Sustainability” survey, which **brought climate change forward as the most material issue for business travel among the 17 United Nations Sustainable Development Goals (SDGs)**. We embraced this mandate and launched the GBTA Foundation, allowing us to pursue critical advocacy, capacity-building, and research objectives around climate change. The GBTA Foundation provides our industry the opportunity to harmonize disparate efforts and serve as thought leaders for the broader future of travel.

To do this, we need to have a better pulse on the uptake of sustainability practices in the global business travel sector: what’s happening, what’s waning, and what’s to come. **This report – The State of Climate Action in Business Travel, our second global industry barometer for sustainability – shows that the industry is stepping up to the challenge.**

The survey that informs this report was distributed to the business travel community including GBTA members and stakeholders to gather insights from around the world. It was conducted between April 17 and May 5, 2023, resulting in a total of **863 responses from business travel professionals across North America, Europe, Latin America, Asia Pacific, Africa, and the Middle East.**



Key Takeaways

1.

Sustainability Stays Center Stage, Becomes Even More Prevalent

- **Sustainability remains top of mind:** 92% of respondents say that sustainability is a priority for their organization (an increase from 89% last year). North America is slightly lagging behind other regions, with 86% saying it's a priority, versus 98% in Europe and 100% in both Asia Pacific and Latin America.
- **It's all about reputation – but also impact:** For companies, the biggest drivers when it comes to sustainability uptake are reputation management (84%) coupled with a genuine willingness to drive a positive impact on the planet (82%).
- **Buyers and suppliers are taking action:** 81% of buyers have integrated or are planning to integrate sustainability into their travel programs (an increase from 71% last year). Among suppliers, 86% say that they have integrated or are planning to integrate sustainability into their commercial objectives.
- **Companies are investing in sustainability teams:** 71% of respondents (buyers and suppliers) state that they have a sustainability team, an increase from last year (66%). While 90% of airlines have such dedicated sustainability resources, this figure drops to 59% for hospitality, 58% for travel management companies (TMC), 55% for ground transportation, and 50% for technology/booking platform. On average, 80% of travel buyers state they have a sustainability team.

2.

Emissions Tracking and Reduction Targets are Becoming the Norm

- **Measuring emissions is the number-one practice implemented by travel managers:** 64% of travel buyers are tracking emissions from their business travel program (compared to 55% in 2022), with 70% relying on data supplied by their TMC.
- **Travel managers are being tasked with reducing emissions for their programs:** More than half (54%) of respondents say that their company has set either internal or public targets to reduce Scope 3 emissions, including business travel. Another 23% are planning to set such reduction targets.
- **Public disclosure of business travel emissions is still a discretionary effort:** Only 20% of respondents say their companies are reporting all their emissions, including those from business travel.

3.

Sustainable Travel Management Relies Heavily on Employee Communication

- **Communication with employees is key:** 73% of travel managers are currently communicating, or are planning to communicate, with employees about sustainable choices.
- **Combining trips is seen as a way to maximize travel's return on emissions:** 74% of travel managers are encouraging (55%) or mandating (19%) their employees to combine multiple business trips into one.
- **The fastest-growing practice will be to activate the point of sale to encourage employees to select lower emission options:** Only implemented by 28% of travel managers today, an additional 32% are planning to have sustainability features integrated into their online booking tool (OBT).

- **Travel managers are not always directly acting on the purpose of travel in their policies:** 38% are currently asking for justification for same-day business trips based on return on investment (ROI) and available alternatives.
- **Carbon pricing remains a niche:** Only 10% of travel managers have established carbon budgets or carbon fees, but this is under consideration by another 23%.

4.

Travel Managers are Using their Purchasing Power as a Lever for Change

- **Travel buyers are highlighting the importance of sustainable procurement,** by integrating or planning to integrate sustainability questions into their Request For Proposals (RFPs) (76%), selecting or planning to select suppliers based on sustainability criteria (63%), and adding or planning to add sustainability clauses to supplier contracts (60%).
- **Developing consistent industry-wide standards is a priority for travel buyers.** Asked to pick five ways in which the industry should accelerate sustainable change (out of 10 possible), a large majority of buyers point to harmonized standards on emissions measurement, accounting, and reporting (requested by 65% of buyers). Meanwhile, 60% of buyers requested that GBTA develop harmonized sustainability questions to be used in procurement.
- **Travel intermediaries, management companies, and consultants are leading the way in helping clients choose greener suppliers and track and compensate for emissions.** Many travel intermediaries are currently displaying (or are planning to display) emissions at point of sale (78%), providing emission calculation services (74%), and offering carbon offsetting options (73%).

5.

Investments in Sustainable Aviation Fuels are Curtailed by the Lack of Budget

- **A third of travel managers will soon be in the game for Sustainable Aviation Fuel (SAF) certificates:** While only 18% of travel buyers currently invest in the purchase of SAF certificates, an additional 16% have plans to do so. Of the companies that purchase SAF certificates, 84% do so through airlines.
- **The median amount spent by these buyers on SAF certificates is \$175,000 annually** (with a broad range in responses – 13% of these companies are spending less than \$25,000 per year, while 17% are spending more than \$1 million per year). For buyers purchasing SAF certificates, investments often represent a small percentage of overall emissions (less than 10%).
- **For companies not investing in SAF, lack of budget is the number one issue:** This is the most common barrier cited (50%), followed by the lack of understanding of how SAF certificates can play a role in a decarbonization strategy (31%), and the perceived complexity of the SAF purchasing process (24%).

6.

Unprecedented Levels of Investment and Collaboration are Needed to Solve Remaining Challenges

- **Financing the green transition continues to present the biggest challenge for both travel buyers and suppliers in decarbonizing their programs and operations,** with “higher costs” ranking as the number one barrier two years in a row.

- **Interestingly, there is however some willingness by corporates to pay more to compensate for their employees' travel emissions, estimated at around 10%.** When asked "approximately how much more their companies would be willing to pay to compensate for employees' travel emissions", the responses provided averaged at 8.6% of ticket price.
- **There is a strong desire to address issues around maintaining consistent sustainability data and attributes end-to-end through the business travel ecosystem.** Lack of measurement and accounting standards for emissions (51%), lack of data and access to transparent information (47%), and booking tools not displaying sustainability features (41%), were all named as major barriers to enacting more sustainable business travel practices and services.
- **A paradigm shift:** Culture change no longer tops the list as the top facilitator of a greener future – it has now fallen behind the powerful calls for financial incentives and harmonization of data/reporting. While we must continue to make the case for climate action, it's also time to harmonize our toolbox and methodologies and advance more sophisticated practices.
- **GBTA is taking a leading role:** Last year, 90% of the industry said that GBTA should guide the sector in its sustainability journey. This was reinforced this year by members asking for best practices, case studies, harmonized standards, and research to guide the industry forward.

Respondents Profile

Where are respondents based?



What categories do respondents represent?



Chapter 1 – Owning the Challenge: Sustainability Stays Center Stage

The message in the latest report from the United Nations' Intergovernmental Panel on Climate Change (IPCC)¹ is unequivocal: The window of opportunity for securing a livable and sustainable future for all is rapidly closing, and businesses have a crucial role to play in changing the course of our planet's future. So where does business travel fit in this equation? How can the world continue leveraging and investing in business travel as a force for good, while minimizing its climate impact and reducing emissions, beginning now?

It all starts with waking up to the challenge and embracing the need for change – this is an area where the global business travel industry is trending well.

Business travel's climate challenge: Embracing the need for change

Last year, in GBTA's 2022 Sustainability Barometer survey, we asked global business travel professionals how important sustainability is for their organizations. The level of prioritization was already high, with 89% of respondents claiming that the topic was a medium or high priority. **This year the level of prioritization remains high, with 92% of respondents making the same claim.**



of business travel professionals say that sustainability is a priority for their organization

In terms of regions, while sustainability is a priority for the vast majority of respondents across the board, North America is slightly lagging behind other regions, with 86% saying it's a priority versus 98% in Europe and 100% in both Asia Pacific and Latin America.

Interestingly, buyers and suppliers of travel services are equally likely to have their organization prioritize sustainability, which implies that this is not only a buyer-led agenda. The entire global business travel ecosystem has started to own the challenge.

Sustainability is becoming an integral part of corporate travel programs...

Corporate travel managers have the keys to managing the impact of their organization's business travel program and are putting this strategic role into action. **Fully 81% of travel managers say that they have integrated, or are planning to integrate, sustainability considerations into their travel program**, with Europe ahead of other regions (93%).

This is a net increase (+10 points) in comparison to last year (2022), when 71% of corporate travel managers were saying that they had integrated or were planning to integrate sustainability in their travel programs.

...and suppliers are making sustainability part of their commercial success.

Business travel suppliers – airlines, hotels, car rental companies, travel management companies and others – are also embracing the sustainability challenge by embedding it into their business model and operations. Eighty six percent **of suppliers say that they have integrated – or are planning to integrate – sustainability into their commercial objectives**, with Europe ahead of other regions (91%).²

¹ The Synthesis Report of the IPCC Sixth Assessment Report (AR6), released in March 2023, summarizes the state of knowledge of climate change, its widespread impacts and risks, and climate change mitigation and adaptation: <https://www.ipcc.ch/report/ar6/syr/>

² Question co-developed with South Pole for June 2023 sponsored webinar with GBTA.

Sustainability's prominence will continue to rise

In corporate travel programs

Q: Have you integrated sustainability considerations into your travel program?



50% of buyers integrated sustainability into their travel programs;

An additional 31% are planning to.

In supplier business models

Q: Have you integrated sustainability into your commercial objectives?



66% of suppliers integrated sustainability into their commercial objectives;

An additional 20% are planning to.

Companies are investing in sustainability teams to implement their sustainability programs.

Almost three-quarters of respondents (71%) state that they have a dedicated sustainability team in place in their organization, an increase from last year (66%). This shows that companies are continuing to make investments to expand their teams and skills.

In this regard, there is still a notable difference between buyers and suppliers. **While 80% of buyers surveyed say their company has a sustainability team, the figure is only 62% for suppliers**, who still have sustainability programs executed horizontally by other functions in their companies (21% of suppliers surveyed say that they have a sustainability program in place, but no sustainability team).

Drilling down further in terms of type of supplier, the study shows that **airlines have significantly invested in sustainability teams (90%)** in comparison to hospitality (59%), ground transportation (55%), travel management companies (58%) and technology/booking platform (50%). This likely reflects the pressure currently placed on the aviation sector to decarbonize. (It is, however, important to note that hospitality respondents may have indicated they do not have a sustainability team at their property, although they do at the corporate level. This would mean that the percentage of hospitality respondents with sustainability teams is higher than the data reflects.)

Does your company have a sustainability team? % yes by supplier type



90%

Aviation
(n=41)



59%

Hospitality
(n=111)



55%

Ground
Transportation
(n=20)



58%

TMC
(n=71)



50%

Tech/booking
(n=28)

It's about managing companies' reputations - but also driving positive change.

When asked to rate the importance of various sustainability “drivers” on a five-point scale, most respondents assigned the following drivers a rating of 4 or 5, indicating its importance: managing reputation (84%), driving positive change for the environment (82%), increasing and retaining customer or employee loyalty (79%), risk-disclosure requirements and possible regulations (66%), and increasing shareholder value (65%).³

This reveals that climate action is not (only) an altruistic endeavor, but one forced on organizations by investor pressure and public scrutiny.



#1

Managing Reputation is the number one cited driver of climate action by buyers and suppliers

“

[Poner el] énfasis sobre los beneficios no sólo del ambiente sino para la empresa.”

Emphasize the benefits not only for the environment but also for the company.”

- Buyer, Argentina

³ Question co-developed with South Pole for June 2023 sponsored webinar with GBTA.

Chapter 2 – A New Era of Accountability: Emissions Tracking & Reporting

As mentioned in the previous chapter, there are many forces at play, including investor pressure, regulatory obligations, and public scrutiny, that are forcing users and suppliers of business travel to act on their emissions.

The “Race to Net Zero,” one of the campaigns resulting from the United Nations’ Paris Agreement,⁴ kick-started a **global movement of businesses committing to achieving net-zero carbon emissions by 2050**. To make sure these pledges did not remain distant words of intent but translated into immediate and effective action to curb emissions, companies began to adopt science-based targets (SBTs), with clearly defined – and ideally independently validated – emissions -reduction pathways.

As of today, over 5,000 companies have shared their targets via the Science-Based Targets Initiative⁵ – but only 3% have targets that specifically relate to their business travel emissions.

Yet as business leaders commit to their own net-zero strategies, corporate travel managers are being asked to track and reduce emissions from business travel.

For many corporations, business travel emissions represent a considerable share of their total emissions.

Respondents were asked what share of total emissions business travel represents for their company.⁶ Almost half (49%) had no idea what that figure might be for their organization, likely because their companies do not track emissions or because this information has not been shared with them.

For respondents who were able to provide the percentage of total emissions represented by business travel, the aggregated average figure came to around 25% – one-quarter of all emissions – a considerable amount that demonstrates why emissions from business travel deserve attention, and more importantly, why they demand investments in long-term decarbonization solutions.

This figure will obviously vary greatly from company to company and based on the industry sector in which they operate. Survey results indicate that business travel represents a much higher share of total emissions for service companies like consulting (53%) and finance, banking, and insurance (36%) as compared to manufacturing (12%).



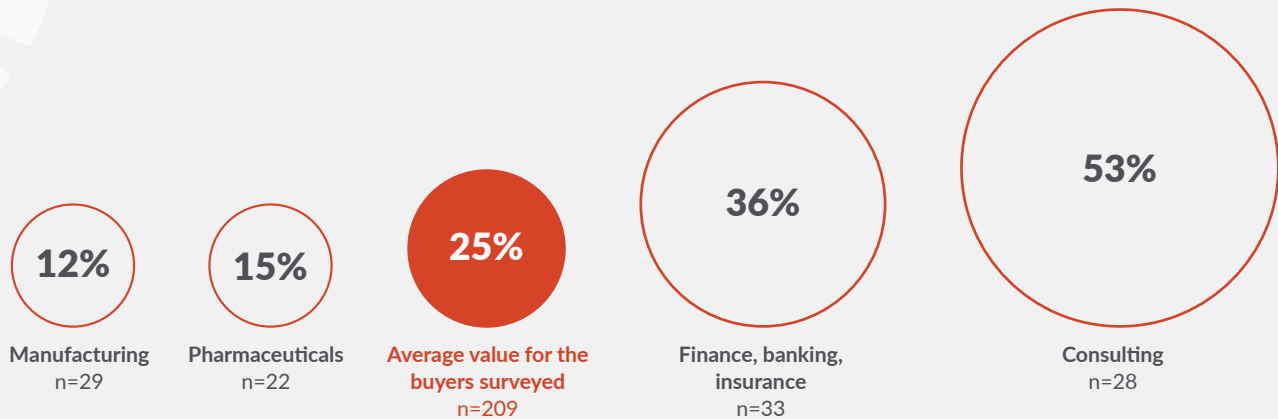
⁴ <https://www.un.org/en/climatechange/paris-agreement>

⁵ <https://sciencebasedtargets.org/> (Based on data retrieved on June 7, 2023)

⁶ Business travel emissions are commonly referred as scope 3.6 emissions under the Greenhouse Gas Protocol (GHG Protocol): https://ghgprotocol.org/sites/default/files/standards_supporting/Chapter6.pdf

Average share of total emissions represented by business travel, as estimated by survey respondents, based on industry sectors

Q: What share of total emissions does business travel (scope 3.6) represent for your company?



Tying it back to the previous finding about the importance of managing reputation, it is critical for companies relying on business travel to successfully conduct their business – especially those that have a large share of their emissions coming from business travel – to demonstrate that they are working on ways to manage those emissions.

“You can’t manage what you don’t measure”: business travel emission tracking and target setting is gaining momentum.

Measuring and tracking emissions is one of the first, and most important, steps to help companies understand the climate impact of their travel programs and identify areas where change can have a significant impact. **Today, 64% of travel buyers are tracking emissions from their business travel programs (compared to 55% in 2022), and another 15% are planning to do so.**

Tracking emissions is also a prerequisite to setting reduction targets, in line with each company’s objective. At present, more than half (54%) of respondents say that their company has set either internal or public targets to reduce their Scope 3 emissions, including business travel. Another 23% are planning to set such targets, which indicates clear momentum in this target-setting effort.

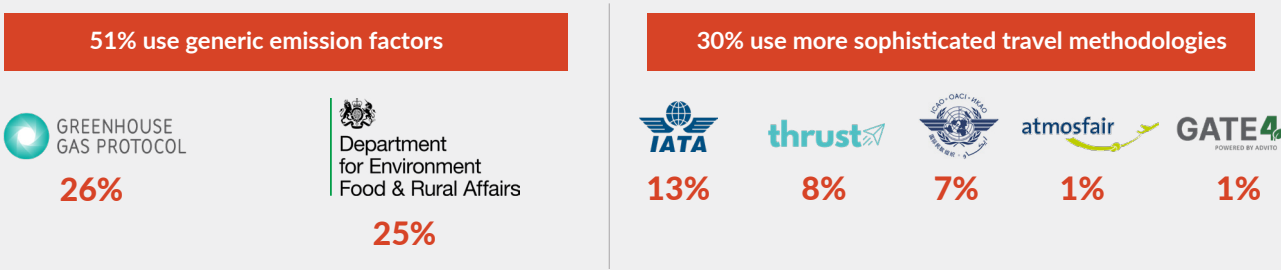
Measuring, Tracking and Reporting Efforts Specific to Business Travel Emissions



There are still many methodologies out there, and travel managers often rely on their TMC and/or suppliers to get the information.

Most respondents get their emissions data from their travel management company (TMC) (70%), but many also go directly through their suppliers (50%). This is also usually combined and/or completed with a company's own calculated information. When it comes to emissions calculation methodologies, the two most common methods are emissions estimates based on generic emissions factors (GHGP, 26% and DEFRA, 25%), and more sophisticated travel carbon emissions methodologies via consultants (like Thrust Carbon or Advito's Gate4) or a sector-specific approach (like the International Air Transport Association for aviation).

Methods used by the buyers surveyed to calculate their business travel emissions



“
 We need to help travel managers manage the data and provide [templates] to report their internal results upward... to senior leadership.”
 - Technology/ booking platform, United States

2X

More European companies are reporting on all scopes (30%) (including scope 3) than North American companies (14%).

Simply put, tracking and reporting emissions data are difficult, and require resources, standards, and an agreed-upon internal process. **Many buyers are using more than one method to obtain and calculate emissions data, which only adds to the complexity and likely makes it difficult to get a holistic view of business travel emissions.** Furthermore, a large percentage of travel buyers simply don't know what methodology their company is using to calculate emissions (36%), pointing out a need for education on the topic and more standardized processes that companies can easily replicate.

Taking the data public: external reporting

According to the survey, 20% of companies are currently publicly reporting their emissions (including Scope 3), with significantly fewer suppliers reporting (15%) than buy-side companies (26%).

In the context of stricter reporting rules implemented in the EU⁷ and proposed by the Securities & Exchange Commission in the U.S.,⁸ we will likely see a trend toward more companies starting to report on climate risks and emissions.

⁷ New EU rules on corporate sustainability reporting entered into force in January 2023: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32022L2464>

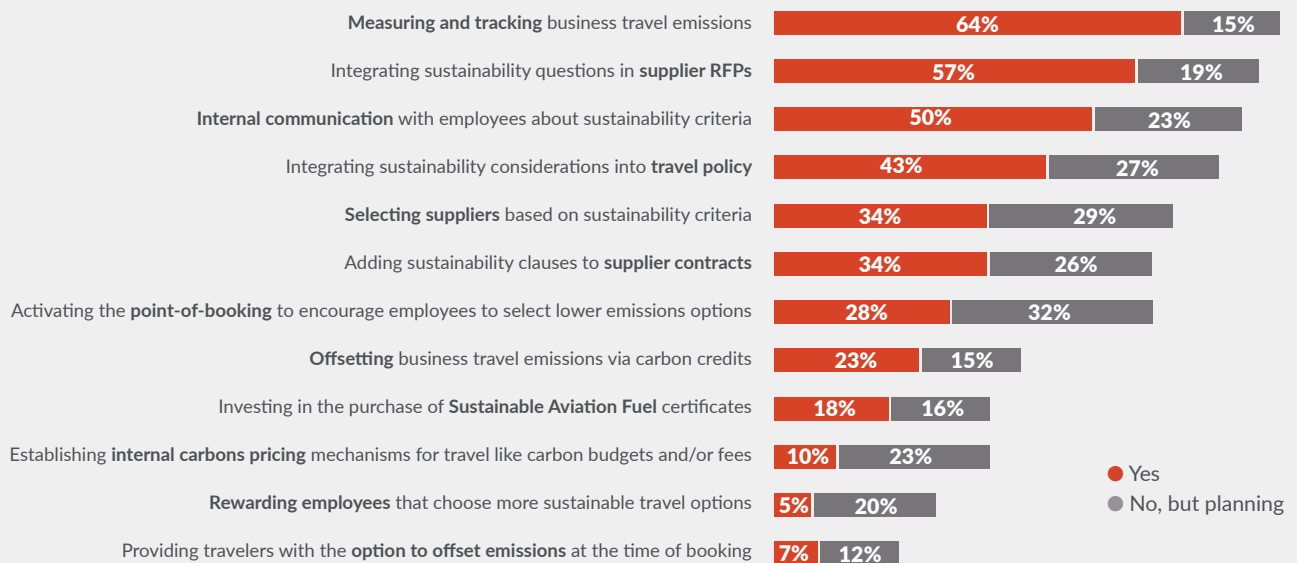
⁸ U.S. SEC proposed rules to enhance and standardize climate disclosures: <https://www.sec.gov/news/press-release/2022-46>

Chapter 3 – Sustainable Travel Management: Uptake of Best Practices

Corporate travel managers are using a wide array of strategies to manage business travel emissions. **The top measures currently being practiced by travel managers include measuring and tracking business travel emissions (64%), integrating sustainability questions in supplier RFPs (57%), and internal communication with employees about sustainability choices (50%).**

Main measures implemented to manage business travel emissions travel buyers only (n=341)

Q: Is your company currently doing any of the following to manage business travel more sustainably?



It's clear that a major amount of work is being done to measure and track business travel emissions, which is admirable given the complexity of the topic. At the same time, there are strategies travel managers can pursue today that don't require an emissions baseline, such as procuring sustainability-oriented suppliers, working with their online booking tool providers to integrate sustainability information and "nudges," and updating travel policies with either "encouragements" or mandates.

Sustainability in travel policies: from nudges to mandates

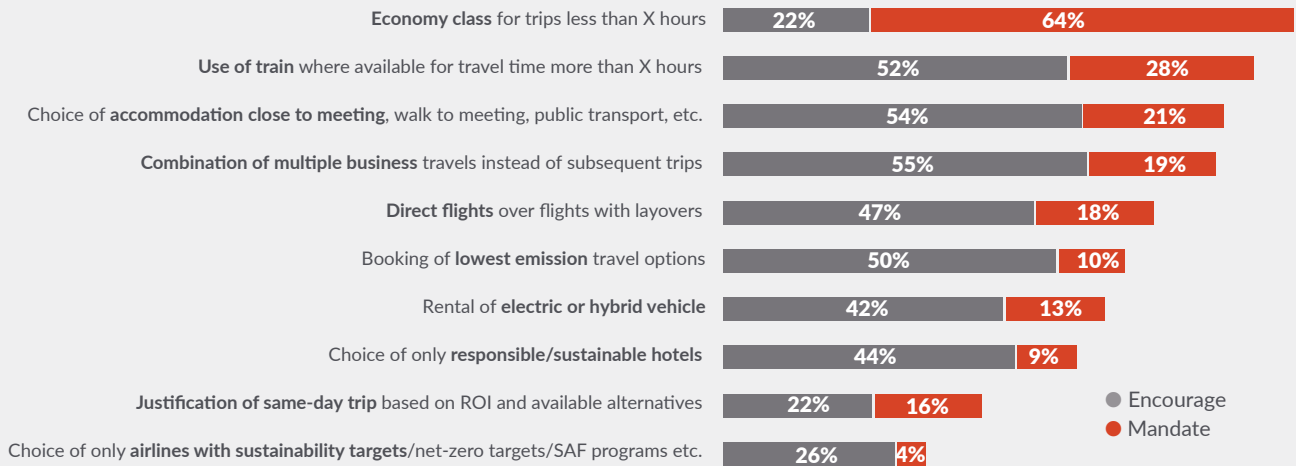
Implementing a climate-conscious travel policy empowers travelers to make better decisions. Overall, **70% of buyers are now integrating, or are planning to integrate, sustainability considerations into their travel policy**, a similar trend to the one identified in last year's report.

Some practices are already widely used in companies around the world, such as mandating/encouraging economy class for certain flights, use of trains for certain trips, and combining multiple trips where possible. **Generally, "encouragements" are more common than mandates, and this is a good place to start if buyers need to test the waters.**

Types of travel policy implemented by companies that integrate sustainability consideration

travel buyers only (n=341)

Q: Have you mandated or encouraged the following practices in your travel policy?



Encouraging modal shifts from air to rail is on the uptake.

In 2022, 42% of the industry felt that switching from air travel to other modes of transportation should be encouraged, while 11% felt that it should be mandated. In 2023, this appears as a top travel policy, with **52% encouraging and 28% mandating the use of the train for trips of fewer than a specified number of hours**. Depending on region, this may be another simple policy that can save on CO2 emissions for shorter trips. Some companies are even offering incentives for train travelers, such as allowing them to ride in business class.

60%

of travel managers are using or planning to use point of sale to encourage their travelers to make more sustainable choices

Activating the point of sale: a powerful way to empower travelers to make the right travel decisions

The point of sale presents a huge opportunity for companies to nudge travelers to make more sustainable selections. **Currently only 28% of travel managers say they are using their booking technology to encourage travelers to make more sustainable choices, however, an additional 32% are planning to do so.**

For most travel managers, this specifically includes displaying emissions at point of sale (72%). Others are utilizing pop-ups for more sustainable route alternatives (37%) and for pre-approval requests (35%).

“

[We need to] promote technology to assist travelers [in] making a sustainable choice at the time of booking travel.”

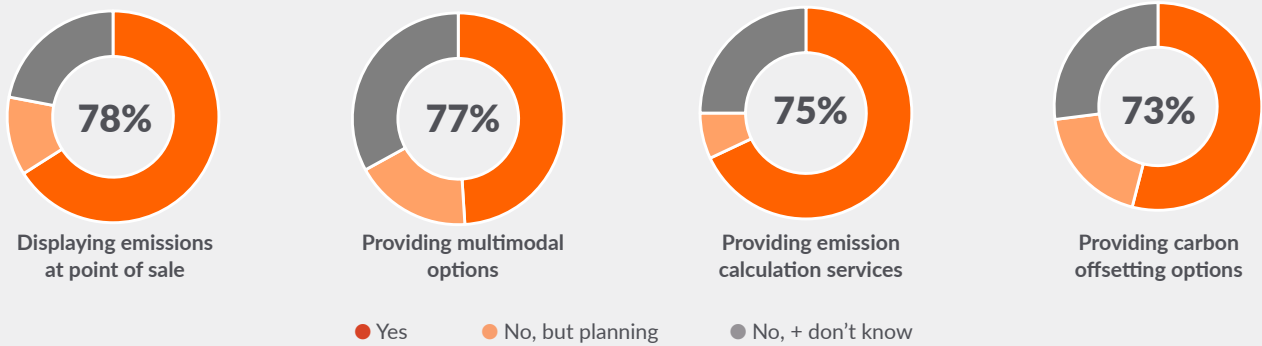
- Buyer, USA

These features have to be enabled by online booking tool entities, which are responding to the demand and working with travel managers to develop and offer these features. The good news is that many travel intermediaries are currently displaying (or are planning to display) emissions at point of sale (78%), providing emission calculation services (75%), and offering carbon-offsetting options (73%).

Travel intermediaries are helping their clients manage their travel emissions

Percentages represent the aggregation of “yes” and “planning to” respondents

Q: Is your company currently taking any of the following measures to help your clients reduce their carbon emissions?



An emerging opportunity is to present multimodal options at the point of sale that combine air with ground transport alternatives such as rail for multi-leg trips (which is offered by 49% of intermediaries). Not surprisingly, this is significantly more common among European suppliers (68%) than North American suppliers (36%), given the availability of rail options.

Q: Are you providing multimodal options to your clients? (n=77)

%yes by region



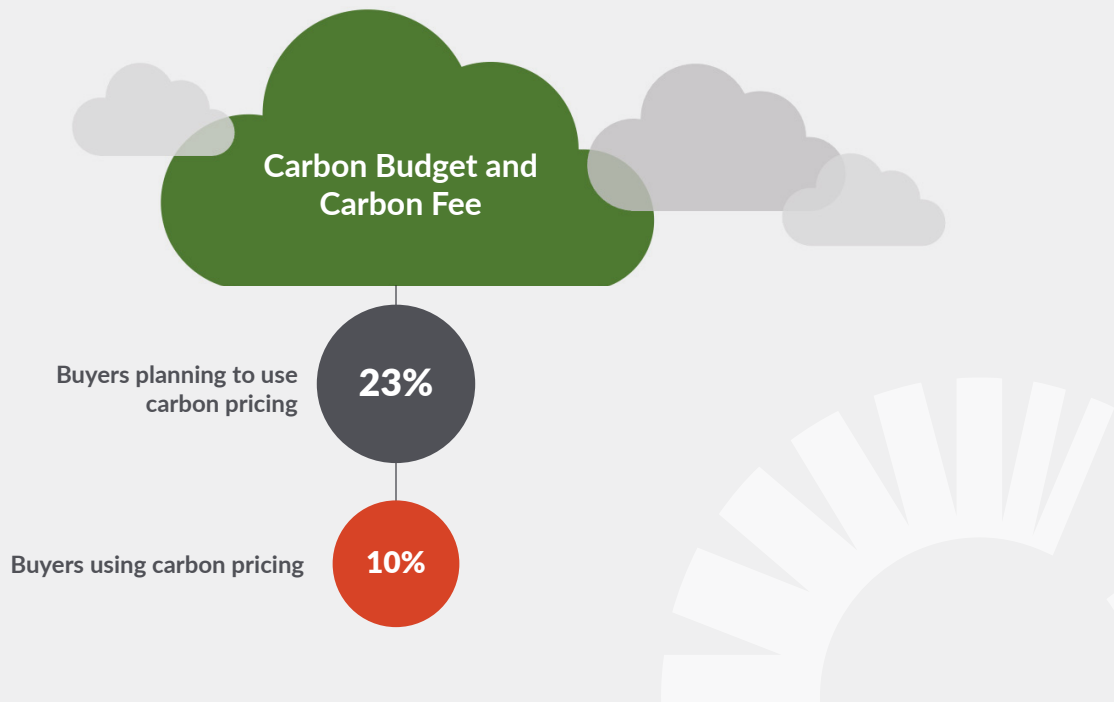
There are few guardrails around same-day meetings, although it could be a simple policy that saves both money and emissions.

The most common “mandate” is economy class for trips that take fewer than a given number of hours, which is likely also a cost decision for many companies. Many other policies can act as cost-saving measures as well, such as combining multiple, short business trips, choosing accommodations close to the meeting to save on ground transport costs, and asking for justification for same-day business trips based on ROI.

Carbon budgets and fees as the next frontier

One example of how emissions data might be used for internal decision-making is to activate mechanisms like carbon budgets or fees. **This is a relatively new practice, as our survey indicates that only 10% of respondents are now using internal carbon-pricing mechanisms for travel.** An additional 23%, however, are planning to implement an internal carbon budget or fee, implying that this is the next frontier for companies looking for best-practice travel management.

Travel buyers are using carbon pricing to manage business travel more sustainably



Chapter 4 – Green Procurement: Using Demand as a Lever for Change

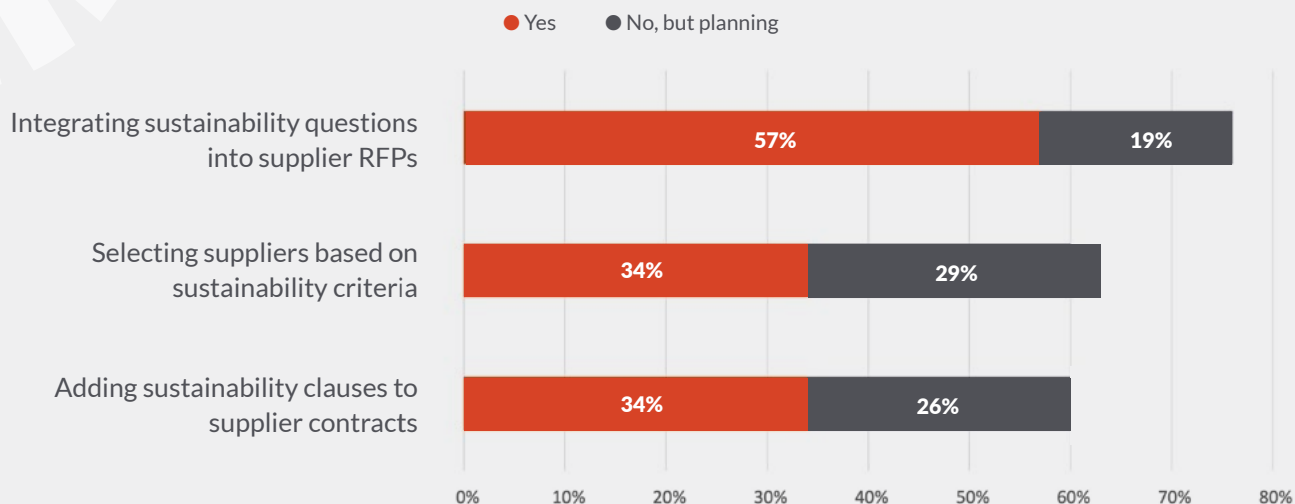
While companies can directly tackle their Scope 1 and 2 emissions by operating more sustainably, reducing business travel (Scope 3, Category 6) emissions relies on the decarbonization of the supply chain. **Travel and procurement managers must leverage their \$1.158 trillion (2023 forecast)⁹ in spending to send a demand signal for more sustainable options, and suppliers must work faster to decarbonize operations.** Real decarbonization of business travel requires both sides – buyers and suppliers – to step up their efforts.

Buyers are sending a demand signal

Buyers have a key role to play in signaling a growing demand for greener travel options and joining forces with their suppliers to help decarbonize the business travel supply chain. In GBTA's recent report that benchmarks best practices for managing emissions from business travel,¹⁰ companies highlighted the importance of green procurement, or selecting suppliers based on their sustainability efforts and performance, as an area of high impact to help reduce emissions long term.

This practice is gaining traction, with more **travel buyers integrating or planning to integrate sustainability questions into their RFPs (76%), selecting or planning to select suppliers based on sustainability criteria (63%), and adding or planning to add sustainability clauses to supplier contracts (60%).** While ideally all buyers who are asking sustainability questions should be using that information to select suppliers, that is not always the case. Suppliers' responses are also integrated into companies' sustainability reporting.

Green procurement practices amongst travel buyers



⁹ GBTA Business Travel Index™ Outlook, August 2022; <https://hub.gbta.org/files/4103>

¹⁰ GBTA Foundation Report: Managing Emissions from Business Travel Programs <https://gbtafoundation.org/emissions-benchmarking/>

An ecosystem approach: decarbonization is tied to suppliers' efforts

An increasing number of suppliers, such as hotels, airlines, and ground transport providers, are working to decarbonize operations and measure their climate impact. According to the 2022 Green Lodging Trends Report, which benchmarks sustainability trends from 27,000 hotels across 54 countries, over **60% of hotels are planning and implementing carbon reduction measures, and over 40% now measure their carbon emissions.**¹¹ In the world of aviation, experts predict that in 2023 airlines will be better equipped to prioritize sustainability and invest in alternative fuels such as SAF, now that they are finally reaching profitability in the post-pandemic world.¹² And notably, the availability of electric vehicles within the car rental market is growing.¹³

But if the industry is going to reach Net Zero by 2050, supplier decarbonization efforts need to ramp up in speed and scale.

The need for harmonization

Two major industry-wide standards that could pave the way for sustainable procurement are still missing: 1) harmonized emissions calculation methodologies for each sector, and 2) harmonized sustainability criteria for supplier outreach and selection.

“

Advocating for standardization across the industry really is vital to move forward.”

– Buyer, UK

Travel buyers cannot effectively compare supplier emissions data if these sectors are not using common methodologies. Fortunately, supplier efforts to harmonize emissions calculation methodologies for hospitality and aviation are underway. The Sustainable Hospitality Alliance (SHA) is working to improve uptake of the Hotel Carbon Measurement Initiative (HCMI), a methodology for hotels to calculate the carbon footprint of hotel stays and meetings.¹⁴ Meanwhile, the International Air Transport Association (IATA) and Travalyst are working on a methodology to calculate route-based passenger carbon emissions, which can then be utilized across the aviation sector.¹⁵

In addition, in order to improve travel buyers' ability to incorporate sustainability into their procurement policies and practices, harmonized sustainability criteria for supplier outreach and selection are needed. This can include standardized sustainability questions, scorecards, and guidance around clauses in contracts. GBTA members have requested that GBTA “help to create standards [broken out by vertical] so that the travel industry can help educate buyers and provide transparent, valid, and standardized information.” (Quote from a US-based hotel company). In August 2023, GBTA will release standardized questions for four verticals – accommodations, aviation, rail, and ground transport – to address this gap.

¹¹ Greenview and WTTC's Green Lodging Trends report: <https://greenview.sg/services/green-lodging-trends-report/>

¹² Airport Technology on 2023 aviation trends: <https://www.airport-technology.com/features/experts-predict-the-airline-trends-well-see-in-2023/>

¹³ CNBC on the EV transition in the car rental industry: <https://www.cnbc.com/2022/06/18/how-the-massive-ev-transition-is-starting-in-the-car-rental-industry.html>

¹⁴ Sustainable Hospitality Alliance on the Hotel Carbon Measurement Initiative: <https://sustainablehospitalityalliance.org/resource/hotel-carbon-measurement-initiative/>

¹⁵ IATA on the collaboration to measure flight carbon emissions: <https://airlines.iata.org/news/iata-collaborates-to-measure-flight-carbon-emissions#:~:text=IATA%20and%20Travalyst%20have%20joined%20forces%20to%20provide,the%20traveler%20and%20relevant%20technical%20and%20operational%20expertise>

Chapter 5 - Decarbonization: A Closer Look at SAF Investments

Among the many levers buyers have at their disposal, investing in emissions reduction technologies within the business travel value chain is critical. Not only can buyers report on some of these tactics as decarbonization efforts, but it also sends a demand signal and increases supply for needed solutions while ultimately also lowering the cost.

Approximately one-fifth of buyers are currently investing in Sustainable Aviation Fuel (SAF), primarily going through the airlines.

Sustainable aviation fuel (SAF) is a safe replacement for conventional (fossil-based) fuel that could reduce carbon emissions on a lifecycle basis. Today, SAF is more expensive due to higher production costs relative to demand, among other reasons.



\$175,000
Median annual amount invested by buyers active in the purchase of SAF certificates

Only 18% of buyers are currently investing in the purchase of SAF certificates, although it's encouraging to see that this figure is expected to double in the near term, with an additional 16% planning to invest in SAF certificates.

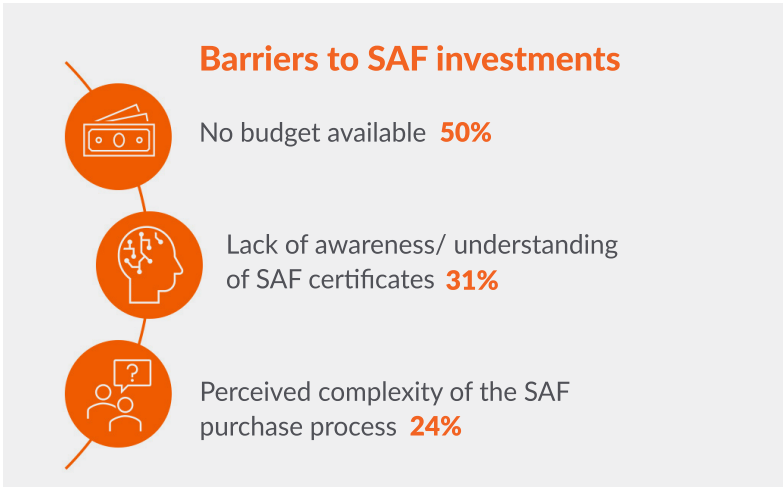
The median spend by these buyers is \$175K annually (with a broad range in responses – 13% of these companies are spending less than \$25K per year, while 17% are spending more than \$1M per year).¹⁶ For buyers purchasing SAF certificates, investments generally represent only a small percentage of their overall emissions (less than 10%).

Although this effort by corporations is encouraging, the scale of investment needed is colossal. Industry experts predict that \$175 billion in annual investment is needed to scale SAF if we are to reach Net Zero by 2050.¹⁷

Looking at barriers and what's standing in the way of a larger number of companies investing in SAF, 50% of respondents say that this is because there is no budget available, while others say companies lack

understanding of how SAF certificates can play a role in their decarbonization strategy (31%), or the SAF purchasing process itself seems too complex (24%).

Interestingly, barriers such as cost and lack of education/awareness outweigh the fact that purchases of SAF cannot be counted as outright emissions reductions according to the Greenhouse Gas Protocol's guidance. Discussions to amend this guidance are underway – but clearly, this is not the only hurdle to overcome, with bringing down costs and increased education being paramount in the race for SAF.



¹⁶ Low sample size.

¹⁷ Mission Possible Partnership report: <https://missionpossiblepartnership.org/wp-content/uploads/2023/01/Making-Net-Zero-Aviation-possible.pdf>

Ways travel buyers are currently purchasing SAF certificates



In terms of purchasing mechanisms, **buyers are currently mainly purchasing SAF directly from the airlines (84%)**. But there are also options to do so directly from SAF producers/retailers via Book-and-Claim (16%), through their TMC (12%), participation in buyers' alliances (9%), and other means.

Note that these purchasing options are not mutually exclusive, and often reflect the time, expertise and budget that buyers are able to allocate to SAF purchasing for their company.

Investments in the value chain are preferred over emissions compensation schemes.

Some companies are putting their investments toward carbon compensation, offsetting, and removals. In 2022, only a quarter (25%) of buyers viewed offsetting as a highly or very highly impactful activity, which likely reflected the realization that compensating for emissions cannot be seen as a substitute for reducing value-chain emissions in the business travel sector.

This aligns with the current 2023 survey, which indicates that **38% of respondents are incorporating carbon credits into their emissions reduction strategy**. Most companies are not providing offsetting as an option to their travelers at the point of sale (71%).¹⁸

What likely still stands in the way of travel buyers confidently budgeting for carbon offsets is the volatility of the price of carbon and the lack of data on their own business travel emissions.

There is some willingness to pay more to compensate for carbon emissions, estimated around 10%.

Respondents were asked approximately how much more their companies would be willing to pay, on average, to compensate for emissions from employees' travel. Based on a sample of 494 respondents who provided a response, this average is 8.6% of ticket price.¹⁹

¹⁸ Question co-developed with South Pole for June 2023 sponsored webinar with GBTA.

¹⁹ *ibid*

Chapter 6 – Remaining Barriers: Joining Forces to Drive Change

The business travel industry still faces numerous barriers to achieving a greener future, but also recognizes clear opportunities for change. **Higher costs, lack of measurement and accounting standards for emissions, and lack of data and access to transparent information were listed as the top three hurdles to enacting more sustainable business travel practices and services.** Meanwhile, harmonized standards on emissions measurement, accounting, reporting, better and easier tracking of data, and policy changes and government incentives to scale up innovation and technology were noted as the top facilitators for change.

BARRIERS	RANK			FACILITATORS
Higher costs	55%	1	60%	Harmonized standards on emissions measurement, accounting, and reporting
Lack of measurement and accounting standards for emissions	51%	2	50%	Better/easier tracking of data
Lack of data and access to transparent information	47%	3	48%	Policy changes/government incentives to scale up innovation and technology
Booking tools not displaying sustainability features	41%	4	44%	Sharing of best practice
Complexity of topic/ taking action (not sure where to start)	33%	5	42%	Culture change within the industry
Lack of clarity on environmental regulations	31%	6	40%	Improve industry collaboration
Employees' pushback/dissatisfaction (e.g., longer travel times, loss of comfort)	25%	7	35%	Investments to help scale up innovation and technology
Lack of financial incentives	25%	8	28%	Push for better integration between modes of transports (multimodality)
Competing priorities within travel departments	23%	9	23%	Index company and/or shareholder goals on sustainability performance next to financial performance
Lack of interest from some industry stakeholders	20%	10	17%	Coalition building to bring attention to needs of industry

Higher costs remain the top barrier two years in a row.

Clearly, **financing the green premium continues to present the biggest challenge for both travel buyers and suppliers in decarbonizing their programs and operations**, with “higher costs” ranking as the number-one barrier two years in a row. While both buyers and suppliers are highly cognizant of this issue, it is even more top-of-mind for buyers (61%) than suppliers (51%). This may indicate that buyers need support building the case to set aside budget for sustainability in their programs. Increased education in this area should include examples of carbon budgeting/ fees, “return on investment” messaging, and an understanding of which carbon-efficient options will actually support cost savings.

“

[Il faut] débloquer des budgets pour nous aider à faire le travail.”

Free up budgets to help us do the job”.

– Travel management company, Luxembourg

When considering the main accelerators to a green transition, the industry ranked policy changes/government incentives to scale up innovation and technology (which may include financial incentives) as one of the top three facilitators. Meanwhile, the industry did not prioritize investments to help scale up innovation and technology as highly. This indicates that **the private sector continues to look toward government to provide financial incentives for the green transition, rather than acknowledging that sustainability must be a shared investment.**

It's not just about the data, but how the data is managed.

Lack of data and access to transparent information also remains at the top of the list compared to last year, indicating that the industry needs a better flow of sustainability metrics between buyers and suppliers. Two notable barriers also rose to the top this year: lack of measurement and accounting standards for emissions and booking tools not displaying sustainability features. These also relate to the flow of data and information between buyers and suppliers, **indicating (as stated earlier) a strong desire to maintain consistent sustainability data and attributes end-to-end through the business travel ecosystem.**

“

Until we have excellent reporting that says we are moving the needle... companies will default to cutting budget to control CO2. We need [the industry] to offer more carbon- efficient options, and [report on these impacts] to keep budgets healthy and still reduce emissions.”

– Buyer, USA

Interestingly, **stakeholders in Europe are feeling the data gap significantly more than those in North America, which might reflect a better understanding of the solutions needed.** Sixty two percent of Europeans as opposed to 45% of North Americans selected lack of measurement and accounting standards for emissions, and 52% of Europeans versus 33% of North Americans selected booking tools not displaying sustainability features as missing elements.

“Keep the discussion going, because we are at the earliest stages of forming a movement.”

– Consultant, USA

Not surprisingly, harmonized standards on emissions measurement, accounting, and reporting (60%) and better/easier tracking of data (50%) were cited as top facilitators of change, with buyers ranking these significantly higher than suppliers. Many buyers are looking for more guidance around sustainability reporting, as this is increasingly becoming a shared responsibility between their own department and sustainability departments.

Have we achieved culture change?

In GBTA's 2022 survey, culture change within the industry topped the list of facilitators of a green transition. In 2023, this fell behind the powerful call for financial incentives and harmonization of data/reporting. Similarly, competing priorities within travel departments, low levels of interest from some industry stakeholders, and lack of executive support/buy-in are at the bottom of the list of barriers. **This begs the question: have we achieved culture change?**

There is certainly evidence to indicate that there has been a paradigm shift, with more and more stakeholders pushing for sustainability at all levels. This implies the need for a more nuanced and mature approach to sustainability education and tools. **While we must continue to make the case for climate action, it's also time to harmonize our toolbox and methodologies and advance more sophisticated practices.**

GBTA's role in bringing the business travel industry together to lead change

Last year, the industry identified a step-by-step guide on incorporating sustainable practices – or a sustainability toolkit – as the number one request to GBTA. GBTA delivered on this request in August 2022, by releasing an online toolkit to guide travel managers on their own sustainability journeys and to empower them to partner with colleagues, employees, and suppliers in reducing the climate impact of business travel.²⁰ This year, GBTA is diving even deeper to provide practical tools and guidance for the business travel industry.

Tools and activities requested by respondents to support their sustainability journey



Case studies and best practices



Harmonized procurement criteria



Industry Roadmap to reach Net Zero



Sustainability index and research



Course and/or certificate program



Government Relations



Business Travel Pledge



Publication of company climate goals

For the past two years, the industry has ranked procurement tools (supplier matrix and scorecard) and sharing of best practices as two tangible things that GBTA can provide to move the needle. As discussed in Chapter 4, GBTA is preparing to release its Supplier Sustainability Matrix, which will include standardized questions for four verticals (accommodations, aviation, rail, and ground transport) to address this gap. Furthermore, a new Sustainable Business Travel Management course, slated for Fall 2023, will include case studies and best practices from leading companies across the globe, so that business travel stakeholders are inspired to take action in their own programs.

²⁰ GBTA Sustainability Toolkit: <https://hub.gbta.org/sustainability-toolkit>

In addition, via this report, GBTA has kick-started an index to benchmark the state of climate action in the business travel sector annually. This was enthusiastically requested in both 2022 and 2023 by GBTA members and industry stakeholders.

Notably, a 2050 roadmap for the entire business travel industry was one of the top three requests from suppliers (51%). **This indicates that suppliers are looking for a collaborative framework to decarbonize operations.** For example, members suggest GBTA “work with the industry to set realistic, transparent targets with outlines ... of action plans to achieve those targets, versus pie in the sky.” (Quote from buyer, USA). GBTA is also considering this as a next step in an effort to guide the business travel industry in its climate journey.

The way forward

Making urgent progress on climate action will require system changes from all sides of the industry. It’s no longer sufficient to work in silos. Buyers, TMCs, airlines, hotels, car rental companies, OBTs, and others need to work together to understand how to create a catalyzing environment for decarbonization. **Only through this collaboration will we be able to create better standards, clearer data, and a stronger demand signal to drive investment.**

We hope you will use this report to benchmark your company’s practices, spark new ideas, and spur the action needed to create the greener future for business travel that we all need. It is our ambition that business travel can, through its collective investment, solutions, procurement, and collaboration, rescue the prospects for a healthy and prosperous travel industry for all travelers long into the future.



“

The entire ecosystem of business travel needs to come along with us on this journey.”

– Buyer, USA



About the GBTA Foundation

The [GBTA Foundation](#) is the non-profit, cause-led arm of the Global Business Travel Association (GBTA), the world's premier business travel and meetings trade organization serving 7,600+ members and advocating for the \$1.158 trillion global business travel and meetings industry.

The Foundation was re-launched in July 2022 to champion action and positive impact from within the global business travel industry toward creating a better future for people and the planet. It is a U.S. Internal Revenue Service-designated 501(c)3 legal entity that operates separately from but under the auspices of the 501(c)6 trade association. Learn more or make a tax-deductible contribution to our mission at GBTAFoundation.org.

About GBTA's Sustainability Initiative

The GBTA Foundation's [Sustainability Initiative](#) aims to drive cross-industry collaboration among the users and providers of corporate travel services – including aviation, hospitality, ground transport, travel management and distribution – to support the deployment of solutions that help to manage and reduce carbon emissions from travel.

A big part of this work includes advocacy, education, and capacity-building efforts to empower business travel professionals to advance climate-conscious business travel programs. For more guidance about how to manage and minimize the climate impact of your organization's business travel, please consult the 12 modules of [GBTA's Sustainability Toolkit](#) and the report on Managing Emissions from Business Travel Programs: [Overview of Corporate Best Practices](#).

GBTA's Sustainability initiative, including this report, was made possible by the corporate donations and support from the Foundation's [sustainability partners](#).

For more information or to help support the GBTA Foundation and our Sustainability Initiative, reach out to sustainability@gbta.org.