



Executive Summary Responsible Travel Management

A Corporate Social Responsibility toolkit tailored for corporate travel management

Over the past few years, corporate responsibility, environmental sustainability and climate change have emerged as leading topics of business, political and media discussions. Clients, employees, shareholders, and increasingly the government, expect companies to speak to and act on corporate responsibility and, depending on the industry sector, this includes the way organizations conduct their business travel. Public perception has not only connected travel with greenhouse gas emissions and climate change but, more recently, business travel and meetings have been drastically reduced and in some cases mislabeled as unnecessary and frivolous.

In the fourth edition of PhoCusWright's U.S. Corporate Travel Distribution Report, issued in July 2009, corporate responsibility was noted as the number four overarching business imperative out of a total of seven: "Balancing fiscal and social responsibility underscores a company's commitment to both the organization and the environment." Furthermore, corporate responsibility, including triple bottom line accounting and a focus on the environment, was noted as the number one trend in corporate travel out of seven. "As carbon emissions tracking becomes more refined and consumers can consider energy-saving alternatives and learn the carbon emissions of their travel choices before they book, online transactions will receive a boost as travelers seek to make responsible choices."

As travel managers note an increased number of inquiries about how travel-related CO₂ emissions can be reduced or even avoided, they are also asked to address the broader dimensions of environmental sustainability as defined in their Corporate Social Responsibility (CSR) programs, as well as duty of care for their staff.

The CSR Committee of the Global Business Travel Association (GBTA) presents this toolkit about responsible travel management to meet the needs of corporate travel managers. The GBTA CSR Toolkit is designed to answer key questions about responsible travel management, and provide a guide for structured assessment of options and tools for successful implementation and integration in key areas, such as:

- Measuring the environmental impact of business travel
- Integrating environmental sustainability into policy
- Managing demand and positively influencing traveler behavior
- Applying sustainable procurement principles in sourcing air, hotel, ground transportation and other corporate travel services
- Strategically managing sustainable groups and meetings
- Using technology to assist in integrating sustainability into managed travel
- Balancing the role of the corporate travel program with the corporate CSR program
- Learning best practices from other companies
- Taking practical steps to get started





Various tools are available from GBTA partner organizations, including the U.K. and Ireland's Institute of Travel & Meetings (ITM) under the Project ICARUS,¹ and other industry organizations with the objective of helping travel management programs advance their CSR goals. GBTA's goal with this resource is to build on those successes and broaden industry knowledge to empower travel managers.

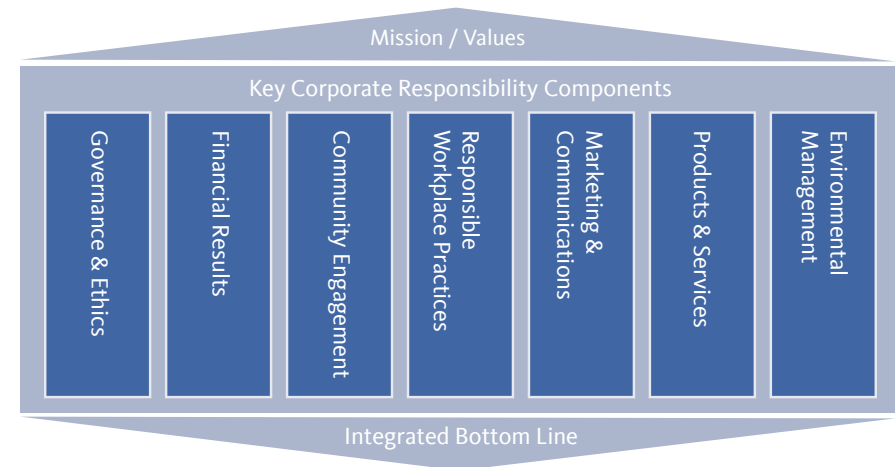
While the primary audience is executives responsible for managing corporate travel programs, the toolkit will also help sustainability departments and other CSR stakeholders in applying their programs to travel management and will help suppliers of travel-related services to prepare for the emerging expectations of buyers.

The GBTA CSR Toolkit includes:

- **Executive Summary on Responsible Travel**, which links sustainability and CSR with responsible travel management, as well as specific options for action.
- **A Guide to Calculating the Carbon Footprint**
- **A Guide to Supporting Demand Management and Influencing Traveler Behavior**
- **A Guide to Responsible Procurement**
- **A Guide to Responsible Groups and Meetings including Volunteerism**
- **A Guide to Technology Solutions for integrating CSR into a managed travel program**
- **A Guide to Offsetting Emissions**
- **A Guide to Travel Risk Management and Duty of Care**
- **GBTA CSR Awards**, which recognizes those companies that have executed highly successful and impactful CSR programs
- **CSR Case Studies**, which includes profiles of companies that have integrated responsible travel management or components into their end-to-end process
- A comprehensive **glossary** to frequently used terminology in CSR

Understanding Corporate Social and Environmental Sustainability

Corporate Social Responsibility or Corporate Sustainability programs are designed to achieve a balance for the long-term benefit of a company's stakeholders, including investors, employees, communities, suppliers and customers, and the environment. As stated by the Dow Jones Sustainability Index,² sustainability is "a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, social and environmental developments."



(Source A.T. Kearney, Inc.)

Issues such as climate change, scarce or increasingly expensive resources, shift in customer demand, regulatory changes and a dire economic downturn have forced many companies to react to the sustainability challenge, whether strategically or tactically. A recent A.T. Kearney analysis revealed that during the current economic downturn, companies that have committed to implementing sustainability practices across their business are achieving above-average performance in the financial markets and are outperforming their peers by approximately 15 percent.³

¹ Institute of Travel Management (www.itm.org.uk/icarus)

² www.sustainability-index.com

³ A.T. Kearney "Green Winners": The performance of sustainability-focused companies during the financial crisis.



Note: Indexed stock prices at - 3 months = September 8, 2008 and - 6 months = May 19, 2008 to November 24, 2008. Percentage performance differential calculated by taking the percentage point difference of averaged sustainability companies' indexed performance to the market indexed performance over the market performance. Sustainability companies include DJSI World 80 2008/2009 + DJSI 2008 Supersector Leaders + Goldman Sachs SUSTAIN focus list for mature industries.

Figure 1 – Performance differential of Sustainability-focused companies by business sector (Source: A.T. Kearney, Inc.)

Similarly, KPMG identified the top 100 U.S. companies by revenue and 74 percent publish CSR reports as part of their financial reporting, while 61 percent have environmental sustainability strategies in place.⁴

Key components of a corporate sustainability strategy include innovation and operational efficiencies, and corporate travel is no exception. Integrating sustainability into a travel program should be no different than implementing other corporate initiatives, but it does present some unique challenges. Corporations and corporate travel managers may have difficulty embedding sustainability or “green travel” into their corporate travel programs because the practice of creating, implementing, measuring and improving CSR initiatives within the context of a corporate travel program is still relatively new and is continuously evolving. But, with the right combination of creativity, entrepreneurship, cross-functional teamwork and effective communication, great strides can be taken.

The role of travel management in a Corporate Social Responsibility program

Many national and international companies have committed themselves to CSR. Companies also publish sustainability reports, either as part of their annual reports or as stand-alone publications.

With their CSR, sustainability or corporate citizenship programs, organizations typically commit themselves on a voluntary basis to “contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”⁵

In practical terms, this means that companies commit themselves to be good citizens by following environmental and other sustainability principles such as:

- Consuming fewer resources
- Encouraging employees to contribute to their community
- Working only with suppliers and partners that fit specific social, ethical and environmental criteria
- Applying strict standards when investing in developing countries
- Advocating for broader social and environmental development

Currently over 3,000 companies track and report greenhouse gas (GHG) emissions to measure their sustainability performance and, according to the Enterprise Carbon Accounting (ECA) index, that number is expected to triple in the next two years (2009-2011).

Some travel executives have started to apply similar principles in their sphere of influence. Yet this is in very early stages. At present, according to the GBTA Foundation Managed Travel Index® and Benchmarking Tool, less than 20 percent of those surveyed had programs in place and less than one in three organizations include the various aspects of CSR in their travel policy. Even fewer actually act upon their commitment and only six percent include travel management in their sustainability reports.⁶

⁴ PhoCusWright's U.S. Corporate Travel Distribution Report, July 2009

⁵ Definition from the World Business Council for Sustainable Development (www.wbcsd.org). Other associations have similar principles, e.g. The UN Global Compact (<http://www.unglobalcompact.org/>) or the OECD Guidelines for Multinational Enterprises (www.oecd.org/daf/investment/guidelines)

⁶ Advito research based on a survey of 333 national and multinational organizations on behalf of BCD Travel

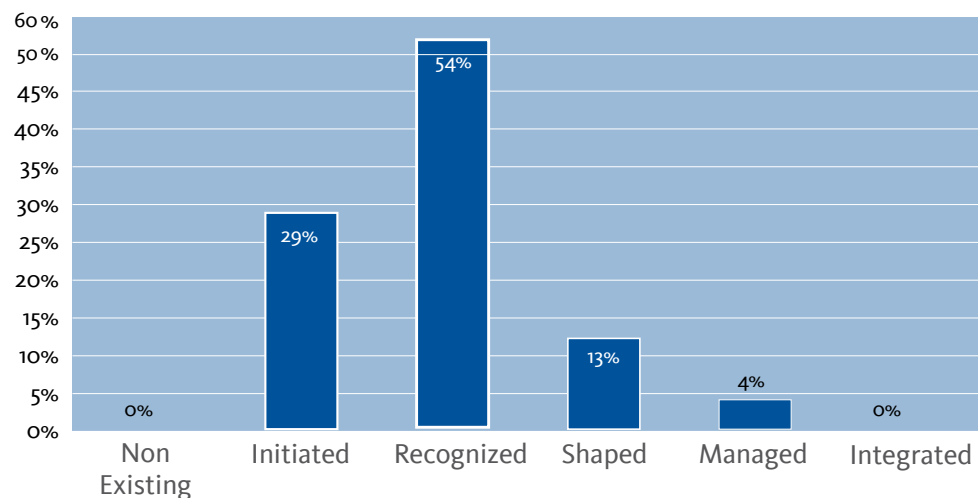


Figure 2 – GBTA Managed Travel Index – CSR maturity level survey on companies approach to CSR as an integrated part of corporate travel (GBTA 2008)

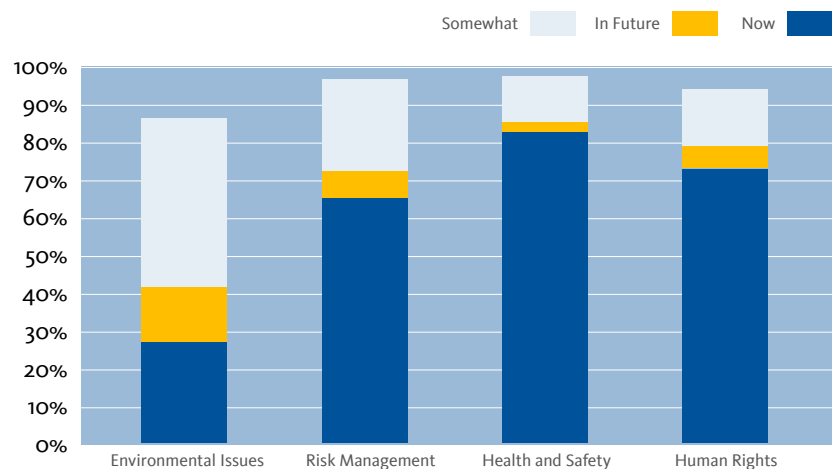


Figure 3 – GBTA survey on policy components of CSR currently deployed in corporate travel programs, somewhat deployed or being planned for the future (GBTA 2008)

While the expectation is that changes in regulation and a greater corporate focus on transparency will cause company's efforts to more than double over the next two years, many corporations still find difficulty in finding a balanced and integrated sustainability approach within their travel management programs.

The role of travel in climate change and environmental sustainability

The travel industry is a composite of airlines, airports, hotels, rail, construction, theme parks and more. Travel facilitates commerce, generates export dollars and can enhance diplomatic initiatives.

In 2009 travel and tourism generated in excess of \$7 trillion, accounting for over 9.4 percent of the global gross domestic product and representing 8.2 percent employment worldwide.⁷ In the United States, travel and tourism is the nation's second-largest services export industry, third-largest retail sales industry and one of America's largest employers. In more than half of the states in the U.S., it is the first-, second-, or third-largest employer. One in every eight U.S. jobs finds its roots in travel and tourism.

According to the U.S. Travel Association, business travel in the U.S. is responsible for \$246 billion in spending and 2.3 million American jobs; \$100 billion of this spending and 1 million American jobs are linked directly to meetings and events. For every dollar invested in business travel, businesses experience an average \$12.50 in increased revenue and \$3.80 in new profits.⁸

All means of travel and transport – from company car fleets, rail travel to aviation – have an impact on the environment, not only through greenhouse gas emissions but also through noise, waste and land occupancy.

⁷ U.S. Travel Association

⁸ WTTC Annual Report 2008



Today the focus on travel and its relationship to climate change and the environment is primarily focused on aviation emissions; aviation is responsible for three percent of worldwide emissions.⁹ With regulatory proposals either in place or underway to include aviation in carbon emission trading schemes,¹⁰ travel executives need to prepare for the budget impact of climate costs being built into the ticket price.

At the same time, responsible travel management goes beyond environmental considerations. Business travel is an integral part of conducting business. Given that business travel is often considered an extension of the work place, it needs to be considered in duty of care, health and safety policies. A favorable travel policy and sophisticated support for staff and family members in case of incidents also contributes to a Human Resource policy focused on attracting and retaining talent.

Travel executives need to assess how responsible travel management fits their organization

Responsible travel management allows companies to enable corporate mobility in a cost-effective manner while providing for the environment, staff and the broader community.¹¹

A persistent misconception is that environmental sustainability leads to higher costs and therefore to a loss of competitive edge. It is true that some options for responsible travel management can result in additional costs, but this is limited to very few specific instances. Companies can actually save money through responsible travel management. If an organization enforces policies such as carpooling to reduce the number rental cars needed or integrated virtual meetings by substituting certain meetings with videoconferencing or web meetings, travel costs can actually be reduced.

However, cutting costs is not the only driver for responsible travel management. Businesses also increasingly look at how voluntary action can:

- Reduce uncertainty and limit risk (e.g., by preparing for future regulations or for shortage of capacity)
- Enhance the brand and reputation of a company, among customers and shareholders, who increasingly look for sustainable investments and staff
- Support the company's own offerings of new products and services in the growth market of sustainability

Issues of sustainability are also key in such corporate areas as Investor Relations and Marketing, in addition to an environmental unit if there is one. Depending on their company's "readiness," travel managers can either provide the push in the right direction or piggy-back onto existing programs.

Companies that want to integrate sustainability into their travel management programs need to change their travel behavior and sometimes even the way they think about travel. A sound approach based on a good understanding of the specific business drivers and the nature of change is as important as proactive involvement of the organization's stakeholders.

This toolkit aims to equip travel executives with the background information and tools needed to evaluate the options available and to shape a combination of actions that fit their specific organization and travel management program. Travel executives have the option to either keep the status quo or to initiate a project to set-up or integrate responsible travel management into their existing program. If they select to keep the status quo it is still recommended to explain to stakeholders why this option was taken and that it has been an informed decision.

Getting started – a step-by-step guide

Establishing responsible travel management can be seen as a five-step process (see Figure 4). The first steps are obviously easier if the company has already established a CSR or sustainability program and the various players have been sensitized. However, with extensive communication, travel executives can also be successful in the absence of a formal commitment to sustainability.

⁹ See IPCC Special Report on "Aviation and the Global Atmosphere" (1999) and "Aviation in a Low-Carbon EU: A research Report by the Tyndall Centre" (2007), University of Manchester

¹⁰ The European Commission adopted a proposal to bring aviation into the European Emission Trading Scheme (EU ETS). By 2012 this will cover emissions from all flights from or to anywhere in the world that arrive at or depart from an EU airport (ec.europa.eu/environment/climat/aviation_en.htm)

¹¹ See also Advito white paper "Responsible Travel Management" (2007) on behalf of BCD Travel



Figure 4 – Sample five-step approach (Source: Advito 2008)

Step 1 – Analysis of goals, stakeholders, infrastructure and carbon footprint

The analysis phase starts with gathering the facts and developing a network of “partners” to help make this initiative a success. The outcome of this phase is the baseline for the business case and subsequent actions and success. Part of the internal analysis is to uncover any **CSR goals** that are in place for the organization or to gauge the organizational readiness to set such goals if they’re not already in place. Addressing key questions allows gauging organizational readiness and understanding the context of existing infrastructure, corporate objectives and key **stakeholders**. The checklist of questions might include the following:

- Is there a CSR, sustainability or environmental program in place? What are the key principles, which areas or dimensions are of particular importance, who coordinates the activities and which targets have been set?
- Does the organization publish a sustainability or environmental report? Is the organization a member of national or global associations in the area of sustainability (e.g., Chicago Climate Exchange, The UN Global Compact, Business for Social Responsibility, World Business Council for Sustainable Development, US Climate Action Partnership, Global Reporting Initiative, Carbon Disclosure Project, World Resources Institute)?
- Are carbon emissions of the core business activities measured? How are these tracked and which methodology is used?
- How important is sustainability for the company brand and reputation? What relevant client expectations have been identified by Marketing and Sales? Which sustainability or CSR-related statements have been made by top management or are published on the Website?
- What is the infrastructure in relation to audio-, web- and videoconferencing and are they being utilized efficiently?
- What are the annual carbon emissions caused by business travel and other corporate mobility activities?

The analysis includes the assessment of the relevant technical and operational **infrastructure**, e.g., corporate booking tools, reporting tools, the facilities available for virtual conferencing and their average usage levels.

A diagnostic allows the assessment of relevant business travel activities and their environmental as well as social impact. From an environmental perspective, this includes the analysis of the “**carbon footprint**,” i.e., the amount of CO₂



emissions caused by business trips by air, car or rail. This absolute number is the baseline for fact-based dialogue, which allows a company to prioritize the actions and later to measure the progress.

One indicator for benchmarking is the “transport intensity” of the business, a ratio of annual passenger miles in relation to total business revenue. Only if the carbon footprint is known – both on an aggregated level as well as split by means of transport and source – can one adequately measure the absolute or at least relative improvement. It will also help to determine and quantify the exposure to potential legislations, regulations, or the impact of the introduction of environmental tax.

Calculating carbon footprint is not an exact science and standards are missing, but the information available is typically sufficient for a sound estimate. The GBTA CSR Toolkit contains a Guide to Carbon Footprint Analysis that provides more details and practical tips.

Equipped with this initial analysis, the travel manager can define what responsible travel management should mean for the organization and qualify and quantify the subsequent options for action.

Step 2 – Definition of responsible travel management

Based on the analysis, one needs to define the **scope** of the project:

- Can we approach this enterprise-wide or do we need to limit ourselves to certain regions or business units?
- Is it sufficient to focus on the environment or should we include other dimensions of sustainability from the beginning?
- Do we focus on business travel-related means of transport only or will we also include hotels, meetings and commuter traffic?

Documenting requirements and potential barriers will facilitate internal

communication and allows the determination of the **critical success factors**. It's important to determine such factors now, before goals are set. Understanding what will be important to the success of a responsible travel management initiative also allows the identification of potential barriers to success, as well as the ability to prioritize the potential initiatives.

Critical factors include cost, timeframe, and definition of decision-makers. Consider, for example, the goals attendant with these various scenarios: “The initiative needs to be cost neutral, otherwise our senior management won’t back it”; “We need to be able to demonstrate tangible results within six months to keep the momentum”; “The initiative needs to focus on the travel arrangers (or travelers or department heads) as they make the ultimate decision.”

A team equipped with a shared understanding of context and constraints is more likely to move in the same direction and focus on those parameters that really matter.

Collaborators and partners are likely to come from various functions and business units. Strategic partners in the end-to-end travel process need to be considered. They have been identified in the analysis phase and now need to be activated. Potential partners from outside the organization are the travel agency, the fleet management provider, the videoconferencing supplier or a neutral consultant – the entire supply chain must be managed.

Armed with the facts from the analysis phase and a good understanding around the “why?” “what?” and “who?”, the travel executive is now ready to obtain **top management** endorsement. Every major project requires a **project sponsor** who can open doors, provide resources and push the topic with top management from a strategic perspective.

Once the project sponsor is on board, the first small team can be formed and actual options for action can be evaluated.



Step 3 – Prioritization of initiatives

The team now has the task of deriving potential actions from the results of the analysis and selecting those options that allow the organization to achieve the best balance of sustainability, cost effectiveness and mobility. The outcome of this phase should be a qualified and quantified overview of ideas. Now is the time to develop those components into a project roadmap that can be used to present a business case to top management. Some organizations opt to hire a consultant in this important phase to act as sounding board, to facilitate the brainstorming or to structure the results.

The tools and reference material provided as part of this toolkit provide some suggested components for prioritization, but the suggestions are not exhaustive: creativity and pragmatism are equally relevant, as is learning from other companies that have already implemented responsible travel management.

Demand Management and Policy

Demand management is nothing new: In pursuit of savings, senior managers have often asked themselves if all trips are really necessary. Some have implemented a pre-trip approval process; others have even ordered a travel freeze for a period of time. These top-down initiatives have met with varying levels of success.

Responsible travel management requires a somewhat similar approach: employees and managers must work together to make informed and prudent travel decisions, and use the technology they have available to aid them in implementing these changes into existing policy.

The Guide to Supporting Demand Management section of this toolkit assesses the options available and includes some practical tips for managing demand through policy and technology.

Responsible Travel Procurement

Smart planning and coordination of supply chain management activities can help lead to a year-over-year improvement of the environmental impact of travel.

Plenty of options exist for travel management – those with the greatest likelihood of sustained success are the ones that include their travel service providers in their efforts:

- Include sustainability in the selection criteria for air, hotel and car program sourcing
- Consider alternative means of transport for relevant trips (e.g., rail instead of air for short-haul; public transport instead of taxis)
- State a clear commitment to environmentally sound travel in the travel policy
- Increase transparency of the environmental impact of alternatives available in the planning and booking process
- Optimize the selection of meeting destinations on the basis of the total carbon footprint

Some questions for airlines, car rental companies and hotels, as well as relevant indicators, can be found in the Guide to Responsible Procurement part of this toolkit.

Responsible Groups and Meetings

The meetings and convention industry is a billion-dollar industry in the United States and hence from a procurement perspective a large opportunity to make changes that can have a significant and positive impact on a corporation's bottom line, environmental impact and corporate image.

Whether for small groups or large conventions, there are numerous resources available that can help meeting hosts, planners or service suppliers make responsible, sustainable choices. These can be found in the Guide to Responsible Groups and Meeting, along with tips on integrating community and volunteer events into meetings.

Technology Solutions

Technology continues to be an excellent enabler of efficient, responsible and innovative solutions in managing business travel. Whether at the desktop, travel agency, mobile device or broad infrastructure level, the Guide to Technology Solutions outlines solutions and options that help integrate CSR into a managed travel program.



Offsetting Emissions

Carbon offsetting is a solution that some companies adopt to reduce or neutralize their carbon footprint. It is achieved through investment in environmental or energy projects that avoid or reduce carbon emissions somewhere else (often in developing countries). Offsetting can also be facilitated through the purchase of “emission credits” from other companies.

The voluntary offset market is complex; the quality of projects varies by type and certification standards. That is why offsetting needs to be carefully planned and evaluated. The Guide to Offsetting Emissions informs about the options available, potential pitfalls and a selection of offset providers.

Care for Staff and the Broader Community

Using the broader definition of sustainability and CSR, it is clear that responsible travel management reaches beyond sustainable procurement. Security issues, legislation around employee health and safety as well as a company’s duty of care for general employee well-being call for organizations to have robust processes and policies in place.

A collaborative and structured approach is addressed in the Guide to Travel Risk Management and Duty of Care in this toolkit.

Step 4 – Setting goals

Once the project sponsor and steering group have approved the project plan and the recommended initiatives, it is tempting to kick-start the process. However, experience shows that a project is more likely to be successful with established goals, measures of success and potential corrective actions prior to the implementation.

The **goals** for the selected ideas and initiatives should be specific, measureable, realistic and time-based. Examples include:

- “We will reduce carbon emissions caused by business travel by 15% over the next 24 months.”
- “We will reduce the share of internal meetings as purpose from 72% to 50% of all trips taken within 12 months.”

- “We will increase the share of rail usage on selected short-haul routes to 90% within the first year.”
- “20% of our contracted travel vendors will have been audited over the next three years to comply with our social, ethical and environmental program criteria.”
- “As of January 2009, we will offset all carbon emissions caused by our international air travel by financing energy efficiency projects that meet the Gold Standard.”

The targets can be translated into a set of **Key Performance Indicators** (KPI) that allows tracking the success and progress of the program as part of the project **reporting**. By validating the baseline for each indicator prior to the implementation, it will be easier to communicate tangible results at a later stage.

Transparency and reliable information are key here. Responsible travel management requires definition of the underlying **data sources** and where required, an initiative to achieve the transparency required.

Step 5 – Implementation beyond organizational boundaries and integration into “classic” travel management

Travel management can be a sensitive topic as it touches so many employees and has such a complex supply chain. Projects aimed to change the status quo require thoughtful planning. A key success factor is clear and consistent **communication** on the purpose of the initiative, its goals and how it fits into the bigger picture. Messages and communication channels need to be tailored to the target audience.

Inconvenient questions or apparent conflicts in goals will need to be addressed head-on. You’ll need to know – and be able to explain – the answers to questions like: “Why do we have negotiated fares with airlines that require me to stopover or connect and thus cause more carbon emissions than flying non-stop?”

Instead of focusing on “green” messages only, an integrated, **holistic** approach is needed that balances the environmental dimension with cost control and the need to be close to clients, as well as an understanding of security and work-life balance issues related to travel.



The importance of **partners** has already been highlighted. They were involved in the preparation phases and will now need to play the role of change agents – facilitating the implementation across functions, units and hierarchy levels. A partnership with external suppliers can result in a win-win situation: The company achieves its goals more easily and the suppliers prove added value as strategic partners in the supply chain.

A new level of sophistication has been reached once all constituents in the process actually live its values and goals. Sustainability needs to be **integrated** into day-to-day activities and organizational planning, from budgeting (“How many trips do we really need to take in my department this year?”) to planning the trip (“Can we postpone the meeting by two days so that I can combine it with a client visit already arranged?”) to management reporting (“By how much have we reduced our carbon emissions in relation to our revenue and in absolute terms in the last quarter?”).

In Conclusion

We hope you find the GBTA CSR Toolkit useful, and it will continue to evolve to meet the changing needs of the industry. Ideas and questions from industry readers are welcome, as that input helps ensure the delivery of the best possible tools. Committee members can be contacted via the GBTA Website: gbta.org.