

for a living planet

WWF-UK Policy Position Statement on *Business Travel*

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WWF-UK policy position statement on business travel

1. PURPOSE

This paper clarifies the WWF-UK position in relation to business travel both within the UK and overseas. The paper considers the role, modes and impacts of business travel, but does not cover the issue of commuting to work. The paper supports WWF-UK's work to encourage UK businesses to fly less, and includes details of WWF-UK's own travel policy and efforts to reduce our travel footprint.

WWF-UK's position on travel for tourism is set out in a separate position statement.

2. WWF-UK POSITION

The mission of WWF is to stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature by:

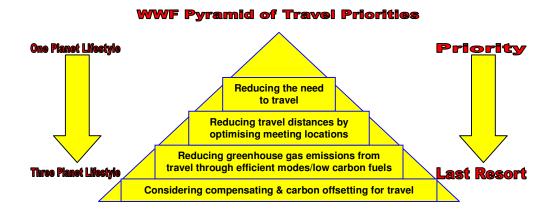
- conserving the world's biodiversity;
- ensuring that the use of renewable resources is sustainable; and
- reducing pollution and wasteful consumption.

Travel has a range of environmental impacts, chief of which are greenhouse gas emissions which contribute to climate change, one of the key threats to global biodiversity. Transport is the fastest growing contributor to the UK's greenhouse gas emissions and as such is an important issue for WWF. We regard business travel, and in particular business flying, to be a key opportunity to curb greenhouse gas emissions. Research has shown that much business travel is unnecessary and cutting this down would not only reduce emissions but also reduce costs for business. There are many alternatives to travel such using fast developing conferencing technologies that are currently under-used.

WWF-UK's position on business travel derives from our *travel priorities* which guide our work on transport and mobility.

WWF-UK travel priorities

WWF-UK takes a hierarchical approach to travel. We work to reduce the amount of travel in the first instance and then look at how we can reduce overall travel distances. Reducing CO_2 emissions and other greenhouse gases associated with travel (through more efficient modes, efficiency improvements or low carbon fuel sources, for example) then follows. The consideration of offsetting emissions from travel is seen as a last resort after all other options have been thoroughly explored.



Guided by this pyramid of priorities. WWF-UK recommends that UK businesses take the following prioritised approach to reducing their footprint through travel practices. policies and procedures.

1. WWF-UK recognises that some business travel is useful and necessary for the effectiveness of business. However, other travel is unnecessary and UK businesses should eliminate this to reduce their travel footprint. Clear guidance on the definition of necessary travel should be issued to staff. Procedures should be put in place that require justifying the need to travel at point of booking, especially the need to fly instead of using alternative modes.

This position is based on the following:

- Business travel can account for 50% or more of a (non-manufacturing) company's carbon footprint;
- according to YouGov research, UK employees think 37% of face-to-face meetings are a waste of time;¹
- if all European companies cut their business travel by 20% it would save 22 • million tonnes of CO₂, equivalent to taking one third of UK cars off the road;² and
- eliminating unnecessary meetings would not only make a major impact on the travel footprint, but also improve profitability by reducing costs, saving staff time, increasing productivity, speeding up decision making and improving work/life balance.

2. Companies can reduce their need to travel by investing in conferencing technologies, and through smart decision-making on locations, management structures and the technologies best suited for particular types of meetings.

This position is based on the following:

The process of globalisation has led to more geographically dispersed • organisations with a need to connect in more ways and in more locations;

¹ <u>http://www.webex.co.uk/pr/carbon-emissions-up-productivity-down-37-of-uk-face-to-face-business-meetings-a-</u> waste-of-time-26.html ² Pamlin, D and Szomolanyi, K (2006) Saving the Climate @ the Speed of Light. WWF and Enso, Brussels

- in this context, conferencing technologies enable more people, in more places, to meet more often and more efficiently, while reducing the need for physical travel;
- evidence from WWF-UK's Travelling Light report shows that companies recognise the potential of conferencing technology to benefit the business and reduce emissions:
 - 85% of companies believe that videoconferencing has the potential to reduce their business flying;
 - 89% of companies believe that videoconferencing can improve their productivity; and
 - 75% of companies believe the government should be encouraging investment in videoconferencing;
- reducing dependence on travel increases business resilience to potential oil and carbon price rises in the future.

3. WWF-UK encourages UK businesses to choose the least environmentally damaging mode of transport for necessary travel. This includes using the train/bus rather than planes/cars/taxis, due to lower per passenger emissions associated with the former modes. Where reasonable alternatives exist, WWF-UK does not support flying – for example within mainland UK or to the near continent.

This position is based on the following:

- On average, travelling by train results in a quarter of the greenhouse gas emissions than travelling by plane;³
- the Tyndall Centre for Climate Change Research concludes that without swift action to curtail aviation growth, all the other UK sectors will have to completely decarbonise by 2050 to compensate;⁴
- in addition to CO₂, aircraft release other pollutants high in the atmosphere where they compound the warming effect of flying. Because of this, aircraft emissions are thought to around two times more damaging than their CO₂ emissions alone;
- short haul flights are disproportionately polluting as they have a higher intensity of fuel burn per kilometre travelled than long haul, although long haul flights produce more total emissions;
- while there is at least the prospect of developing low or zero-carbon fuels for surface transport modes in the medium term, there is little prospect of such advances in the aviation sector. Ambitious fuel efficiency improvements of 1-2% per year for aircraft are already incorporated in the emission forecasts for the sector but are far outstripped by aviation growth of 4-5% per year.⁵ According to the Tyndall Centre, on current growth trends, aviation will account for almost all the UK's carbon budget by 2050;
- 45% of air journeys in Europe are less than 500km about the distance from London to the Scottish border.⁶ Destinations within the UK and closer parts of continental Europe can be reached by train almost as quickly as flying when travel to and from airports and waiting times are taken into account. Here are a

³ Association of Train Operating Companies – carbon emissions by transport mode, October 2007

⁴ Contraction & Convergence: UK carbon emissions and the implications for UK air traffic (Tyndall Centre 2006).

⁵ Industry and ICAO estimates

⁶ UK Department for Transport calculations.

few examples, with centre-to-centre travel times shown for one-way journeys, and CO_2 emissions per passenger shown for the whole return journey:⁷

Journey	Air	Train
London to Paris (346km)	3.5hrs, 122kg/CO ₂	2.25 hours, 12kg/CO ₂
London to Edinburgh (531km)	3.5hrs, 193kg/CO ₂	4.5hrs, 25kg/CO ₂

- A full train is at least twice as energy-efficient as a full car, although the increasing efficiency of some models is narrowing this gap. Travelling by train is therefore preferable to the driver-only occupancy of so many car journeys, particularly on longer distances when the fuel efficiency per passenger mile really begins to tell; and
- road transport currently accounts for around 20% of the UK's CO₂ emissions. In terms of greenhouse gas emissions, using the bus is a better option than a car for comparable journeys. Buses cannot, however, entirely avoid responsibility for the sector's carbon emissions. Modern fleets are looking at electric and/or biofuel alternatives.

4. WWF-UK supports carbon offsetting for business travel only as a last resort. For travel that is deemed essential for business, we recommend that companies offset their emissions using one of the gold standard accredited schemes.

This position is based on the following:

- WWF-UK recognises that there are major concerns over the plethora of offsetting projects which have been established over the last few years, and that their environmental credibility and impact on communities have been questioned. It is also difficult to show that offset schemes provide genuine and additional CO₂ savings. The reality is that offsetting often transfers the responsibility for tackling climate change from the North to the South;
- there is a danger that offsetting will entice individuals and businesses not to reduce emissions at source. There is some concern that businesses will use offsetting as a smoke screen to ward off legislation and delay action to cut emissions, so locking the UK into high-carbon investments and social structures;
- the gold standard is an independent, transparent, internationally recognized benchmark for 'high quality' carbon offset projects. It was developed by WWF and a number of NGOs in response to concerns that many projects were not offsetting emissions to adequate standards; and
- we recognise that offsetting, using gold standard accredited schemes, is better than doing nothing at all.

⁷ Note : There can be considerable differences in the amount of CO₂ produced for specific journeys, depending on the source of information. Carbon calculators also show considerable differences. The figures here are based on the 'average' taken from a basket of calculators and should therefore be treated as an approximation. They are indicative only.

Recommendations for UK government

As well as working directly with businesses, WWF-UK is also asking the UK government to implement a regulatory and fiscal framework that is supportive of companies making sustainable travel choices. Measures include:

- Fleet vehicles incentives for low emission and electric cars, plus investment in charging infrastructure;
- tax incentives to promote greater investment and use of videoconferencing
- tax exemptions for green alternatives to air miles;
- environmental taxation, through scaling up of Air Passenger Duty, charging VAT on jet fuel and air tickets, and getting airlines to pay their fair share of environmental costs;
- moratorium on airport expansion, including no 3rd runway at Heathrow;
- development of low carbon travel / broadband infrastructure;
- development of public access videoconferencing infrastructure, to help smaller businesses to fly less without the up-front cost of VC;
- UK support for inclusion of aviation emissions in the Global Deal successor to the Kyoto Protocol; and
- UK support for a global fuel tax on air tickets to support adaptation funding.

The UK government should also be demonstrating leadership in its own travel choices, seeking to reduce travel where possible and using alternatives to flying such as rail and videoconferencing.

3. BACKGROUND

The environmental impact of business travel

1. Climate change

Climate change is the biggest threat facing the world today. Many of our most vulnerable habitats and species, as well as human populations, are at risk, with the world's poorest nations being the most vulnerable and least resourced to adapt. The greenhouse gas emissions resulting from human activity are making a major contribution to the scale and rate of the current period of global warming. WWF-UK believes that in order to prevent the rise in global temperatures from exceeding $2^{\circ}C$ above pre-industrial levels, global greenhouse gas concentrations need to stabilise as far below 450 parts per million CO₂ equivalent (CO₂e)⁸ as possible, and preferably at or below 400ppm CO₂e.⁹ To achieve this, developed countries need to reduce greenhouse gas emissions by at least 80% from 1990 levels, and this is the target the UK has committed to in the 2008 Climate Change Act.

Transport accounts for a significant part of the UK's carbon emissions both directly and through the construction and maintenance of infrastructure. Direct emissions from surface transport account for 22% of the UK's total emissions alone. By Defra's own calculations, aviation generates 6.3% of total UK carbon emissions. But, as the

 $^{^{8}}$ A CO₂ equivalent (or CO₂e) is a metric measure used to compare the emissions from various greenhouse gases, such as nitrous oxides, based upon their global warming potential. Carbon dioxide equivalents are commonly expressed as million metric tonnes of carbon dioxide equivalents.

⁹ Intergovernmental Panel on Climate Change Report 2007.

Government admits, they represent 13% of total UK climate change impact because of the multiplier or non-C02 effects they create at high altitude. In order to reduce emissions of CO_2 and other greenhouse gases at source, we need to bring about a reduction in travel and a shift to more sustainable modes of transport. This requires large scale systemic changes in government policy, business strategies/operations and in travel behaviour.

WWF-UK regards business travel, and in particular business flying, to be a key opportunity for change. We focus on aviation because this is the fastest growing source of greenhouse gases in the UK, yet it is currently excluded from UK, EU and UN frameworks. Emissions from aviation are doubling every decade and at this rate, they will account for almost the entire UK carbon budget by 2050. Unlike other modes of transport, sufficient technology innovations that reverse the growth in aviation emissions are not likely in the foreseeable future. In addition, the aviation sector does not pay its way in terms of environmental damage.

Business travellers account for around 22% of UK air passengers but a much bigger percentage of airline profits. According to WWF research if all European companies were able to achieve a 20% reduction in their business travel, 22 million tonnes of CO_2 could be saved. (Source: Saving the Climate @ the Speed of Light, Oct 2006). Further WWF research has shown that there is a significant appetite for change in the business community because companies recognise that cutting down on unnecessary travel and choosing lower carbon alternatives brings substantial commercial as well as environmental benefits. These will be discussed in more detail below.

2. Other environmental impacts

In addition to its impact on climate change, business travel also contributes to the wider environmental and social impacts of the transport sector:

- Habitat fragmentation, soil sealing and noise pollution caused by roads, motorways and airports leads to significant negative impact on ecosystems, biodiversity and local communities.
- According to the International Energy Agency, transport accounts for around 60% of all oil consumed. There are major local environmental impacts from the extraction of oil, especially those associated with non-conventional sources such as tar sands. In addition, extraction of other raw materials needed for vehicle manufacturing and infrastructure can cause similar harm to local ecosystems.
- The unsustainable production of biofuels threatens food security through intensive use of cultivable land and of potentially scarce water supplies. This can lead to higher food prices with adverse effects on poverty levels, and also direct and indirect land use changes causing deforestation and biodiversity loss.
- Reduction of quality of life for communities directly affected by these developments.

Carbon offsetting

Carbon offsetting is seen by many businesses as a way of compensating for their CO_2 emissions. A carbon offset negates the release of one tonne of CO_2 in one place by avoiding the release of, or removing from the atmosphere, the same amount of CO_2 somewhere else. Carbon offsets can be generated by activities such as energy efficiency (e.g. installing energy-saving technologies in housing developments), renewable energy (e.g. wind farms) and carbon sink (e.g. forestry) projects. Credits are then generated from these projects which can be sold to individuals, businesses and governments to offset their emissions.

A 'gold standard' carbon offset was developed by WWF and other NGOs in response to concerns that emission reduction projects were not contributing to lowering CO₂ emissions. In 2006 a gold standard for the voluntary market was also launched. The standard for both the compliance and voluntary market is built on the procedures for the Kyoto Protocol's Clean Development Mechanism,¹⁰ but includes three additional screens:

- Restriction to renewable energy and end-use energy efficiency improvement projects;
- robust tests of additionality and baselines, to ensure that emission reduction credits are not awarded to a project or activity that was going to happen anyway; and
- a sustainable development screen, including guidelines and frameworks for environmental impact assessments and extended stakeholder consultation.

WWF-UK only supports gold standard accredited offsetting schemes. We view carbon offsetting as a measure of last resort. We believe that there is a danger that some companies will use offsetting as a smokescreen to delay real cuts in emissions and the adoption of low-carbon technologies. We are also opposed to companies counting the emissions saved by using videoconferencing as offsets as there is no additionality — these emissions would have been saved anyway. We work to encourage companies to undertake a comprehensive carbon audit and make every effort to reduce emissions and adopt low-carbon technologies before offsetting any remaining emissions.

The gold standard does not cover forestry sink projects and in the absence of a robust standard for these projects we are concerned about their use to offset emissions. A robust standard would specifically need to address:

- Permanency: although trees absorb CO₂ when they are living, it cannot be guaranteed that a new forest will be permanent. It is eventually likely to succumb to disease, fire or logging releasing the CO₂ into the atmosphere once again;
- accurate calculation of CO₂ stored: for example, methods used to calculate the amount of CO₂ stored and estimations of the amount of CO₂ that a forest can absorb can differ vastly; and
- impact on the local environment and forest communities.

¹⁰ The Clean Development Mechanism is an offsetting standard created by the Kyoto Protocol to help industrialised countries meet their emissions reduction targets by investing in offset projects in developing countries which have not taken on reduction targets.

4. THE ISSUES

Questioning the business case for travel

The growth in business travel has been both a cause and effect of the process of globalisation. The geographical extension of multinational organisations and supply chains has both been enabled by, and required, much greater mobility of employees. The assumption is that business travel enables the development of relationships and acquisition of knowledge that contribute to competitive advantage, and in some cases this may be true. This assumption forms an important part of the UK government's ongoing support for airport expansion.

The ongoing revolution in information and communication technologies is, however, replacing the need for physical attendance at meetings and conferences. Improvements in videoconferencing technology allow 'virtual meetings' to take place with the same level of interaction and 'realism' as holding a face to face meeting, without the need to travel. According to a recent survey of FTSE 350 companies commissioned by WWF-UK, 89% of respondents expect to fly less in the future, and use alternatives such as videoconferencing and the train instead. Aside from the carbon savings there are a range of commercial benefits of this course of action:

- Cost savings from avoided flights and accommodation;
- time savings with fewer hours out of the office travelling;
- productivity gains it's more efficient to work on a train or in the office than on a plane;
- better work-life balance for staff fewer early starts and late nights to and from airports, with less family disruption;
- higher staff retention by showing that a company is committed to the wellbeing of its staff and the natural environment; and
- companies who hold more 'virtual' meetings also report that they achieve better global collaboration and faster decision making, reducing time-tomarket or speeding up project completion.

By far the most important message from our survey is that the UK's largest businesses expect to fly less – not more – in the future. And increased flying isn't needed for increased competitiveness as companies expect that new generation videoconferencing will improve their productivity without needing to fly to meetings so often. This means there is significant scope to achieve carbon savings by encouraging UK business to fly less. Additionally, one of the key justifications for airport expansion in the UK is undermined.

We acknowledge that currently it is often cheaper to fly than to travel by train, so a switch to more sustainable modes for necessary business travel does not always provide cost savings. This highlights the importance of a change in government policy to stop subsidising aviation as set out in our recommendations on page 6. We would also point out that trains provide conditions much more suitable for mobile working than travelling by plane which entails more waiting around in airports and limited internet access.

Carbon reporting and sustainable travel policies

WWF-UK welcomes the Climate Change Act which states that carbon reporting will become mandatory for business from 2012. Measuring and reporting carbon emissions from business travel will therefore become increasingly important. WWF-UK supports the Carbon Disclosure Project and other schemes which encourage firms to report their Scope 3 emissions,¹¹ including business travel, as part of their carbon reporting.

Companies should be preparing now for the mandatory reporting of carbon emissions. Planning and implementing sustainable business travel policies, and gaining compliance from staff, will help to ensure careful management of carbon budgets and provide the means for reducing emissions from business travel.

The role of government in promoting sustainable business travel

WWF-UK recognises the important role of government in creating a fiscal, regulatory and investment climate that encourages businesses to make sustainable travel choices. WWF-UK's vision for a sustainable travel and transport policy is one which allows the UK to live within its carbon means, based on the principles of demand management and modal switch to favour low carbon transport, as well as technological and efficiency improvements. It is important that capacity planning for sustainability does not merely displace demand from one high carbon mode to another but seeks to bring down overall demand and emissions for travel and transport. As discussed in the previous section, businesses themselves believe that travelling less in the future is compatible with increased profits, so the UK government should cease to use economic growth as a justification for continued expansion of transport capacity and encouragement of demand for mobility.

Our own analysis of pathways to a low-carbon UK, which modelled an 80% reduction in UK emissions using the Government's own modelling tools, suggested that stabilisation of aviation emissions at around today's levels would be the maximum allowable from the sector, given the reductions that are feasible elsewhere in the economy.12 Near-zero emissions from domestic transport will therefore be necessary to make room for international transport, where abatement options are more limited. Therefore, the UK should plan for electrification of cars, trains and buses as well as the de-carbonisation of the power supply.

We urge the government to improve the quality of public transport to get people, including businesspeople, out of cars and planes and into more sustainable modes. In doing so they should be mindful that increased capacity in public transport could lead to an overall increase in emissions from the transport sector: as people switch to public transport, the resulting additional capacity in the road system is likely to be filled with additional car users. Any measures that increase capacity of public transport should therefore be matched by measures to discourage travel by car and plane. We have included specific measures for modal switch in our recommendations to UK government on page 6.

¹¹ Scope 1 emissions are those directly occurring from business operations; Scope 2 emissions are those involved in the production of electricity consumed by the business; and Scope 3 emissions are all the other indirect emissions that are a consequence of the activities of the business, such as travel.

¹² WWF-UK, IPPR and RSPB, '80% challenge – delivering a low carbon UK'

The government should take a holistic approach to transport strategy that manages absolute capacity. Dismantling existing infrastructure could potentially be part of that mix. Decisions on new infrastructure need to take into account the carbon emissions and other environmental impacts stemming from the full lifecycle including construction and maintenance.

Claiming carbon neutrality to justify aviation growth

WWF-UK is opposed to claims that growth in aviation emissions can be significantly reduced, or made carbon neutral, if offset through the EU Emissions Trading Scheme (ETS). Such reasoning would allow aviation emissions to grow, while shifting the responsibility for 'real' emissions reduction from the aviation industry to developing countries. We are equally sceptical of claims made for the carbon neutrality of airports on the grounds that they only include operational emissions but exclude emissions from aircraft.

Such justifications for aviation growth are environmentally suspect and could lead business to think, mistakenly, that there was less urgency to reduce their business travel. In the view of WWF-UK the sustainability of future business travel involves travelling less.

5. WHY IS WWF CONCERNED WITH THIS ISSUE, AND WHAT ARE WE DOING ABOUT IT?

How business travel relates to our mission

WWF's mission is to stop the degradation of the planet's natural environments and to build a future in which humans live in harmony with nature by: conserving biodiversity; ensuring the sustainable use of renewable sources; and reducing pollution and wasteful consumption.

Since climate change is the biggest threat facing many of our most vulnerable habitats and species today, as well as human populations, and because transport emissions are the fastest growing component of this threat, it's only natural that WWF is concerned about transport.

WWF-UK regards business travel, and in particular business flying, to be a key opportunity for change. Research has shown that much business travel is unnecessary and cutting this down would not only reduce emissions but also reduce costs for the business. There are many alternatives to travel such using fast developing conferencing technologies that are currently under-used.

WWF-UK also addresses the need to reduce the impact of leisure travel: our One Planet Future campaign, supporter communications and carbon calculator make it very clear that cutting leisure flying is the single biggest decision individuals can make to reduce their carbon footprint. We have also developed a separate position statement on travel for tourism that guides our work in this area.

Practising what we preach: WWF-UK's sustainable travel policy

We are continually striving to reduce our impact on the environment through specific initiatives and rolling out new policies and practices. We produce an annual Environment Report which can be viewed at <u>www.wwf.org.uk/aboutwwf</u>. WWF-UK achieved a 25% reduction in CO_2 emissions from our own business travel between 2004 and 2010.

An important component of this is our sustainable travel policy, some key aspects of which include:

- Staff have a personal responsibility to ensure that any business travel is absolutely necessary and should determine if the purpose of the trip cannot simply be achieved by telephone, fax, e-mail, video conferencing or other means of communication. Staff are encouraged to co-ordinate attendance at meetings with other relevant staff members to reduce numbers attending and to determine who is best placed to attend;
- staff should not fly to destinations in the UK apart from Northern Ireland, This also applies to destinations served by Eurostar such as Brussels and Paris; and
- compliance with the travel policy is subject to regular audits. Full environmental audits are carried out quarterly and CO₂ data will be checked monthly. Records must be kept to provide an audit trail. Each department is allocated an annual carbon budget that enables the achievement of overall carbon reduction targets.

Our work on business travel

WWF engages the private sector to drive environmentally sound business models and to accelerate moves towards a low carbon economy. WWF also works in partnership with companies to find credible solutions to environmental problems. In the case of air travel, this means the use of practical alternatives such as rail or reducing the need to travel by using audio, web or videoconferencing.

In order to help companies to reduce their flying, WWF-UK has introduced the **One in Five Challenge**, a guided programme and award scheme to help business and government cut their flying by 20% within five years. The programme aims to galvanise the growing desire among businesses to fly less by providing a framework for flight reduction. With clear aims and with buy-in from boardroom level, the One in Five Challenge can help accelerate the organisational commitment to greener business travel that will need to happen to reduce flying.

Companies that take the One in Five Challenge receive support to achieve their targets including: a toolkit to help them plan and implement a greener business travel policy; support from travel planning experts to understand and control the extent of their business flying and track progress; and help with quantifying cost and carbon savings to communicate to investors and others.

We also work more broadly to influence government policy on transport and mobility to create a regulatory and fiscal environment that promotes sustainable travel choices.

LIST OF FURTHER INFORMATION

WWF-UK Travelling Light report: http://assets.wwf.org.uk/downloads/travelling_light.pdf

One in Five Challenge website:

http://www.wwf.org.uk/how you can help/get your business involved/one in five challenge/

OTHER RELEVANT WWF POLICY POSITION STATEMENTS

- Travel for tourism position statement
- Transport viewpoints
- Aviation and shipping Q&As

FEEDBACK

We are keen to receive your views and comments in response to this Policy Position Statement which we will be updating on a regular basis. We also need to be aware of any new piece of work/research/evidence that you have undertaken that may affect this Policy Position Statement. There may also be gaps within the current position which we may not be aware of and which you may wish to highlight for any future review. Please click <u>here</u> to email your feedback. Please ensure you state which Policy Position Statement you are referring to.