Creating and Implementing a More Sustainable T&E Policy

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Introduction

Sustainability has never been a more pressing issue. The impacts of global heating are being felt acutely across the globe. Consumers increasingly expect governments to pass environmental legislation, and businesses to deliver products and services in a more sustainable manner. Corporate ESG (environmental, social and governance) actions are becoming more heavily scrutinized by investors and customers, and a new generation of employees wants to work for organizations that reflect their own values. The days of business as usual have long passed.

Many organizations completely halted business travel in early 2020, and for most it still hasn't substantially returned due to ongoing COVID-19 concerns and restrictions. But most experts believe it will mostly return within the next 2-3 years.

This poses a challenge for business travel leaders who need to hit corporate ESG goals? How can they maintain an effective business travel program without returning to the days of massive carbon footprints? While many organizations realize the pressing need for a more sustainable approach to business travel, barely a third of them have any kind of sustainability policy that addresses it.

> **Most organizations have a long way to go to be able to claim a sustainable business travel program, but leaders shouldn't feel discouraged to the point of not taking first steps in the right direction.**

Sustainability is still in its infancy in regard to business travel, so a program could be implemented at a low level and then expanded as the area becomes more mature and travelers become more accustomed to making more earth-friendly travel decisions. The scope of tools available to help companies track and minimize their travel carbon footprint also continues to grow, which will make it easier to analyze trends and make smarter decisions.

This ebook was created to help companies begin their journey to developing a sustainable travel program. It's not designed to be prescriptive, but serve as a guide to help get some quick wins, and then layer in more sophisticated elements over time.

Getting Started

Build a framework

There are no rules which apply universally to every travel program and every traveler. While reducing carbon emissions and minimizing waste is an obvious end-goal for every organization, the way to achieve this may differ significantly depending on a range of factors. Travel and sustainability leaders should first focus on what can be measured and managed using their current vendors and tools, and use this to develop the first phase of a sustainability initiative based on the organization's specific circumstances.

The first thing any travel sustainability plan must do is build an overall strategy. What exactly are the organization's goals for its initiative? How can changes be made that don't negatively impact the business or its employees?

A good starting point for this uses a framework that is common among many corporate ESG managers.

1. **Avoid:** How much travel can be eliminated and replaced by online meetings, training, etc?

2. **Electrify:** What forms of oil-powered transportation (e.g. flights) can be replaced with electric-powered transportation (e.g. high-speed rail)?

3. **Decarbonize:** How can oil-powered transportation become more fuel efficient or converted to sustainable fuel sources?

4. **Offset:** How can we mitigate our unavoidable carbon emissions?

Addressing these four elements in order allows organizations to achieve the most impact with the minimum need for program management. Simply reducing the amount of travel has more impact than trying to offset all of the carbon emissions from a trip, and is far less challenging to administer, as the burden can be placed on the traveler.

Determine a carbon baseline

In order to see how emissions can be reduced, the biggest question of this is how to set a benchmark value. Some online booking tools can provide a breakdown of carbon emissions based on flight bookings, which can be used to determine a previous year's emissions. For companies which aren't able to download and analyze this data, there are a number of free online tools which can calculate individual trips' emissions, such as this one from the United Nations' International Civil Aviation Organization (ICAO). While this takes a considerable amount of manual work to set up (as it requires each flight to be individually entered into the system and then logged), it can help create a baseline level to work from. Outside consultants can also be brought in as necessary to help calculate historic levels.

It's important to not get too bogged down in calculating exact emissions, especially at the initiative's outset. Attempting to get too granular could lead to analysis paralysis, so start with what's easy to measure.

Tracking and measuring

The ability to track emissions from employees' trips is crucial to reducing carbon output. Increasing numbers of business travel service and technology providers are building carbon tracking tools into their applications. These are an effective first stage for any organization that's looking to reduce their carbon footprint. Data provided by the airlines and third party data vendors can be allocated to each trip within the travel solution, and technology providers are also beginning to offer tools so that organizations can also track emissions from train, car and other ground transportation.

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When strategizing about change management, think about the subtle changes in activity that can have a broad impact over time. Promote changes that don't impact productivity or outcomes of business travel or the meeting, but do serve in supporting ESG goals.

Hansini Sharma

Practice Lead, Corporate Travel
Acquis Consulting

Change management–communicate the "why"

Building a sustainability mindset takes time, so change management is critical to the success of any initiative. Many employees view business travel as a perk of their role, some even to the point of being entitled to flying business class, staying in high-quality hotels and eating in expensive restaurants whenever they travel. For those in revenue-generating roles, the environmental impact often came a distant second to the financial benefits of a closed deal.

Communicating why a program is being implemented is critical to improve the adoption of more sustainable travel measures.

- What are the measures being taken by the organization?
- Who do they apply to?
- What else is the company doing to improve its sustainability?

Leaders also should be prepared to counter resistance when a program is rolled out. While most business travelers will be on board with the initiative without any argument, there will always be a vocal minority who may view it as a political gesture or infringing upon their personal choice.

A program also needs to be implemented equitably across the organization. While rank-and-file employees may have been previously accepted executives flying private and staying in five-star hotels as part of their role, if they continue to do so while everyone else is curtailing their own travel, it will undoubtedly lead to claims of double standards and a lower voluntary uptake of more sustainable travel methods.

Once a campaign has been in place for some time, communicating its results is also essential. While many travelers will be happy to change their approach to travel to improve the environment, there will undoubtedly be some who are less willing to do so. Demonstrating the results and benefits that their actions have taken could improve the perception of the initiative.

It's also critical to communicate the results in a way that travelers will understand. While carbon emissions are measured by kilograms and tons, few travelers will know what a "good" carbon saving should look like. More straightforward comparisons, such as homes powered or plastic bags' worth of oil saved, can make a program's success much more tangible to travelers.

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Don't forget to ask employees for suggestions; there could be a sustainability expert within your organization eager to help.

Geoff Kahler

Sr. Director, Global Marketing & Marketing Operations
Egencia

Creating the policy

1. Avoid: Does the trip *really* need to happen?

The easiest way to reduce the environmental impact of travel is to reduce its frequency. The COVID-driven shutdown has proven that the majority of businesses can continue to survive without frequent travel, so this break has likely made it easier to place more stringent criteria on when travel is needed versus a Zoom call. Starting from a default position of zero travel and saying "should this trip take place?" is easier to implement than having to place restrictions on an already established program.

Regardless, organizations need to determine what type of interaction needs to be in person versus via video call. The criteria for determining this can vary from role to role, company to company.

Giving employees as much information as possible about the potential impact of their trip can help them to feel empowered about travel planning, reducing the potential for pushback. Humanizing sustainable travel policies by putting more power in travelers' hands will increase adoption.

Determine a trip's necessity

One way to standardize the necessity of a trip could be to create a points-based system, where points could be allocated based on various criteria. Any proposed trip which passes a certain threshold can be automatically approved, below it will be online or require further validation. For a sales-related trip, it could be based on the stage of the lead or its estimated value.

A customer-related trip could be viewed in a similar way–are there any issues with the relationship? When was the customer last visited in-person? What is their spend? Are there other customers that could be visited on the same trip? For an internal trip the criteria could be more nuanced–are there issues that are best addressed in-person, such as getting to the root of an employee issue or building morale? With many conferences now containing a hybrid element, is in-person attendance necessary–are there specific meetings which are taking place in addition to the educational sessions?

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> **When planning a trip, think of the whole door-to-door journey.** A one-hour flight may mean landing in an out-of-town airport, requiring a long commute back to the center of a city.
>
> **Rebecca Payne**
> *Travel Specialist EMEA*
> Nike

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> ## Keep your expense policy simple.

The more rules a policy has for trip justification and business class eligibility, the easier it is to "follow policy" and feel good about it, even if it is 3x the carbon footprint.

Eric Bailey

Global Director Travel, VenueSource and Payment
Microsoft

Optimize for value/output of travel

Once the decision has been made that physical travel is needed, make sure the outcome of the trip will be optimized. Avoid one day/one meeting trips. Make sure you pack as many meetings into one trip as possible, whether they are with more early-stage sales prospects, partners or colleagues.

Assuming that travel does need to take place, the main consideration is how to reduce its environmental impact. Primary among these is to minimize the direct carbon footprint of the travel itself, but there are other aspects to bear in mind. Minimizing water usage (especially in areas such as the western United States and other drought-prone regions) should also play a role, as well as more general sustainability practices such as reducing the amount of single-use plastics, etc.

Create a carbon "budget"

Another way to incentivize employees to self-restrict travel is to create a carbon budget, either on a team or individual basis. This will place a cap on the amount of carbon emissions that an employee's travel can generate during the year, which can be measured using tools provided by the TMC or other technology partners.

As with financial travel budgets, managers will often lobby for as big of a carbon budget as possible. To become more sustainable this obviously isn't the goal! Organizations should look to reduce each team's carbon budget every year.

2. Electrify

Transition to rail

Much of Europe, APAC and the Northeastern U.S. have developed extensive high-speed rail networks, which have drastically reduced the time taken to travel between city centers. Factoring in the time taken to get to and from downtown business districts to airports, check-in, security, etc., it can often be quicker to take a four-hour train versus a 90-minute flight.

Even when there might be a slight time disadvantage to taking a train, the environmental benefits are clear. A Eurostar from London to Paris generates 90 percent fewer emissions than flying, and Amtrak claims that it generates 73% fewer carbon emissions than flying. However, these benefits don't take productivity into account. A train ride can provide almost uninterrupted opportunities for working, and calls can be taken (quietly) during a train journey. In comparison, a relatively small amount of time on trips made on short-haul flights can be used for productive work, and of course phone calls can't yet be made while in the air.

Ground transportation

The most obvious solution to reducing the carbon footprint of ground transportation during business travel is to take public transport, such as buses and underground/light rail. Organizations must balance this versus issues such as duty of care and practicality. Travel leaders could work with travel risk management information systems to identify which cities/countries are safe for employees to take public transport, and make this information freely available.

Public transport may also be logistically impractical depending on where employees need to travel, so companies will need to determine their policies for when to use ride-sharing or car rental services. Policies could mandate that travelers use hybrid/electric or economy models wherever possible, only allowing larger cars when the number of passengers/luggage requires it. The recent announcement that Hertz will be buying 100,000 Teslas for its fleet clearly demonstrates the desire from travelers for more electric vehicle options.

> **Rail not only brings an element of sustainability, but also allows for great productivity and a hassle-free mindset with no luggage limit and more space.**

Rebecca Payne
Travel Specialist EMEA
Nike

3. Decarbonize

Air travel is typically the biggest factor in any organization's travel carbon footprint, and has both the necessity and the potential for significant savings. The factors impacting which flight to take can be complex and vary significantly from route to route and carrier to carrier. This makes it certainly more difficult to apply blanket policies. When looking at travel vendor relationships and flight choices, organizations and employees should consider the following:

Direct vs layover

The general understanding is that direct flights consume less fuel than those with an intermediate layover, due to the disproportionate amount of fuel consumed during take-off and the initial climb versus cruising. However, there is a limit to this, due to the additional weight of fuel required to carry the fuel for long-haul flights. So there becomes a limit at which a direct flight becomes more carbon-intensive than one which has a layover.

Aircraft type and age

Average fuel consumption in aircraft has fallen by almost half in the past 50 years. Advances in engine technology and the increased use of carbon fiber in the latest generation of aircraft continues to improve efficiency. While the pandemic accelerated many airlines' decisions to phase out older, less efficient aircraft, there can still be significant differences in fuel consumption for two aircraft on the same route.

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> **The cost of travel has a close correlation to a trip's carbon footprint.** Reducing the travel budget lowers the number of business class flights, the category of hotels, and the number of trips.
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> **Eric Bailey**
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> *Global Director Travel, VenueSource and Payment*
> **Microsoft**

Sustainable aviation fuel

Sustainable aviation fuel (SAF) is developed from ingredients as diverse as used cooking oil, municipal waste and byproducts from the forestry industry. It reduces the carbon output from flights by up to 80 percent. However, its cost (about five times that of regular jet fuel) and scarcity (currently less than one percent of all fuel used) mean that it's still not making a huge impact in terms of carbon reductions. However the Biden administration set a goal of 100 percent SAF by 2050, and 10 percent of airline fuel being SAF by 2030. This deadline has major global airlines continuing to invest heavily in the use and production of SAF.

Because of the way that SAF is blended with regular fuel, it's not currently possible to opt for sustainably-fueled flights. So, organizations should speak to carriers during the RFP process to determine which of them fits best with their sustainability initiative. Forward-thinking corporates may want to explore the challenges and support future production of sustainable aviation fuel with awareness that there are outstanding questions in who can claim the carbon reduction for purchasing SAF today. Consider joining the sustainable aviation fuel buyers alliance (SABA) to support collective demand signal opportunities and to learn more.

Class of service

Data from the World Bank shows an enormous gulf between the carbon footprint of economy, business and first class seats. On a narrow-body flight, a business class seat and a first class seat have a carbon footprint 2.5x and 5.8x more than an economy seat, with that rising to 2.9x and 9.1x respectively for wide-body flights. This factors in a variety of criteria, ranging from maximum luggage weight to the area taken up by the seat/cabin, and the type/amount of food/beverage consumed on the flight. Restricting air travel to economy class–especially on long haul flights with wide-body planes–generates enormous carbon savings.

Cost and employee comfort also play a role in any decisions. Many organizations have negotiated rates with preferred airlines, which may conflict with the most sustainable option for flights. Travel and HR leaders also need to ensure that the human aspect of travel is in balance with creating the most sustainable travel options. While some employees may not mind an extra hour or so of layover at JFK on their LA to London flight, few would be willing to spend several hours on the ground–and this is before you factor in lost productivity spent sitting in an airport lounge.

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Help employees make responsible choices by providing the right tools and information.
The next step is building sustainability directly into the travel policy.

Geoff Kahler

*Sr. Director, Global Marketing & Marketing Operations*
Egencia

4. Offset

There are three key strands for an organization to [become net zero.](#) Emissions reduction, carbon absorption, and carbon offsetting. Lowering travel volumes and choosing more sustainable options (train vs plane, sustainable aircraft fuel, etc.) will help reduce emissions, and absorption programs are beyond the scope of many organizations' travel sustainability initiatives.

The third strand of carbon offsetting is an effective solution for organizations and individuals to easily mitigate the emissions caused by travel, although it should also be viewed as a last alternative, as it's a reactive, not proactive sustainability measure.

Organizations can implement a number of approaches for implementing an offset program: offset all travel, enable teams and individuals to voluntarily purchase offsets, or mandate offsets for those who have exceeded their carbon budgets. Several travel booking tools already offer travelers the capability to include offset purchases into travel purchases. This provides a simple way for individuals to both see the carbon impact of their trip, and also offset the emissions. Including carbon offsets as a permanent line item in corporate travel budgets would be an effective long-term solution for organizations to reduce their carbon footprint.
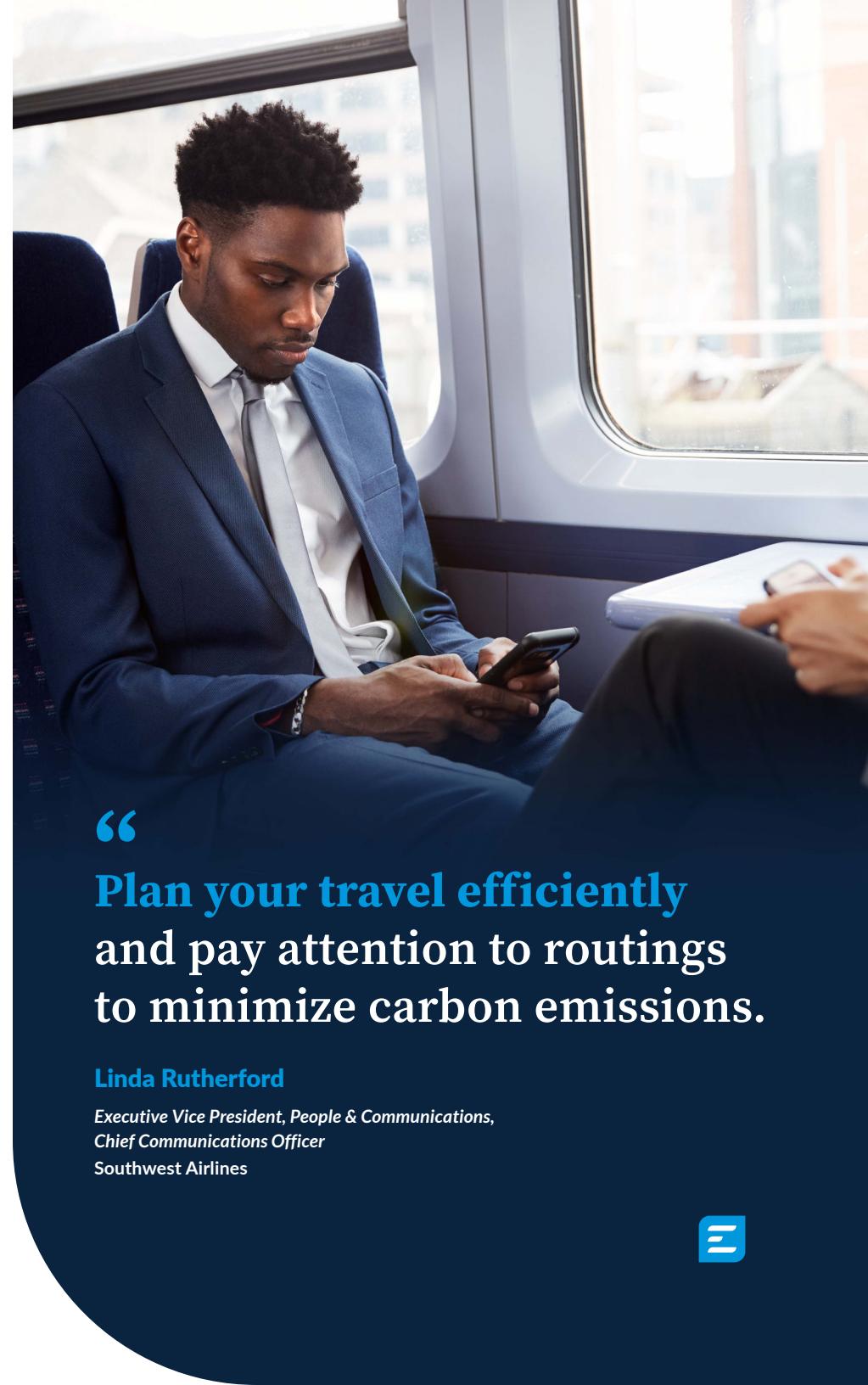
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> ## Plan your travel efficiently and pay attention to routings to minimize carbon emissions.

Linda Rutherford

Executive Vice President, People & Communications,
Chief Communications Officer
Southwest Airlines

Other Considerations

Hotels

Lodging is the [third-largest](#) element of business travel by spend, with about 13 cents of every dollar going toward hotels. And while flights and ground transportation are the most obvious areas where a traveler's environmental footprint can be reduced, there are still a number of ways the impact of hotel stays can be minimized.
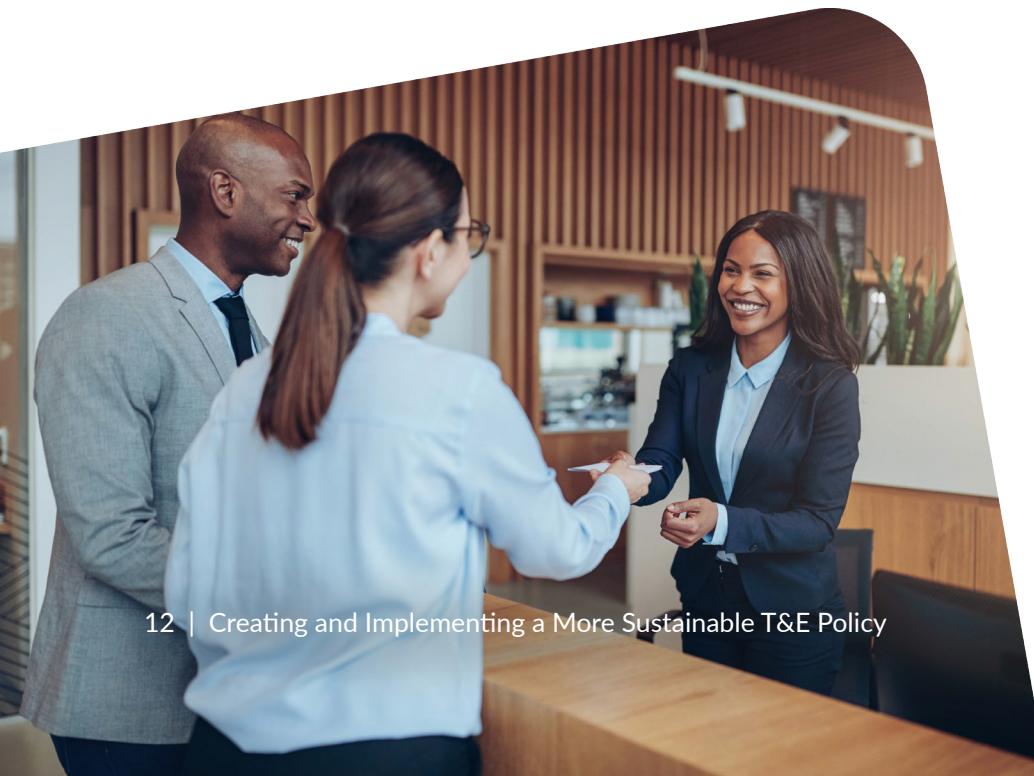
LEED-certified buildings

[LEED certification](#) demonstrates the extent to which a building minimizes its environmental footprint, and can cover everything from design and construction (sustainably sourced construction materials, using natural light, minimizing the need for heating and air conditioning, to landscaping and external water use, to low-flow room sinks, showers and toilets.

Increasing numbers of new and refurbished hotels are built to one of the four tiers of LEED certification, and while the number is still relatively small (e.g. less than 200 out of Marriott's total of more than 8,000 worldwide properties) a significant number of new business-class hotels will have LEED certification.

Location

Edge-of-town hotels may be more affordable than those within the downtown area, especially for longer stays. The pitfall of these is that they are more likely to require private transportation (taxi/ride-share etc.) to reach. Unless the vast majority of a traveler's trip will be spent in the immediate vicinity of the hotel, choosing one which can be readily accessed either on foot or by public transport will eliminate the need for private transport.

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While price matters in vendor choice, pay attention to environmental sustainability strategies when reviewing travel partners.

Linda Rutherford

Executive Vice President, People & Communications,
Chief Communications Officer
Southwest Airlines

Restaurants/food

Organizations can guide their employees to dine in a more sustainable way when eating while traveling. Instead of visiting chain restaurants which often buy produce and then ship it from large distribution centers, encourage them to identify and eat at local farm-to-table style restaurants. Not only is there typically less transportation of the ingredients, but they are also often produced in a more sustainable manner.

There are other small changes that can be made. Whereas leftovers are generally taken home and eaten the following day, this rarely happens when an employee is traveling on business. To reduce food wastage, encourage dining at small-plate restaurants, to avoid generating leftovers which will get left in the mini-bar fridge.

Single-use water bottles are a feature of almost every boardroom table, and travelers will often pick up a bottle while at an airport, in a hotel room, on a plane or at the airport. Many public locations now have locations to fill water bottles with chilled, purified water, so organizations could incentivize travelers to use these by providing them with quality, durable water bottles (such as a HydroFlask or a Yeti). These can be branded with the company logo for a bit of free advertising, and will also reduce the amount of single-use plastics in landfills.

Technology

Technology can also play a role in making a travel program more sustainable. A simple first step is to leverage digital solutions to minimize the use of paper. This could be anything from using digital boarding passes and PDF hotel folio documents to deploying a travel booking tool and expense automation solutions that allow the entire purchase to reimbursement process to be performed online.

Another major benefit of automating key parts of the travel booking and expense process is that it enables data to be analyzed effectively. Data imported from travel partners can be analyzed to identify each traveler's/team's carbon footprint, and how it compares to budgeted thresholds.

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Travel with your own reusable water bottle to avoid plastic waste.

Linda Rutherford

Executive Vice President, People & Communications,
Chief Communications Officer
Southwest Airlines

Putting a policy into action

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Incorporating sustainability criteria into vendor RFPs

Airlines, hotels and other travel providers are increasingly touting their green credentials and their plans to move toward carbon neutrality. Travel leaders should request details of each travel provider's sustainability initiatives–not just overall long-term goals, but also specifics of flights/fleets, hotels, rental vehicle fleets, etc. in locations where large amounts of the organization's business travel takes place.

See greener options in booking tools

Measurement of a traveler's or organization's existing carbon footprint is the critical first step in implementing greener business travel. But without the ability to put this insight into practice, the benefits are muted. Increasing numbers of consumer and travel booking solutions are listing the carbon emissions from each flight segment when selecting flights, allowing travelers to see which flights will have the least impact for their trip. Organizations should speak with their travel provider to see if this capability is possible within their flight booking tool.

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Outlining specific low-impact changes also helps reduce some of the ambiguity around what travelers can do to reduce their environmental footprint.

Hansini Sharma

Practice Lead, Corporate Travel
Acquis Consulting

Empower travelers to choose greener vs lowest logical fares

Most corporate travel programs have a lowest logical fare booking policy, often combined with negotiated rates with a specific airline. While this is the most cost efficient, it may not provide employees with the best options for lowering their carbon footprint.

For organizations to reduce their emissions, employees should be empowered to choose the most sustainable flight options, even if they do not follow existing booking guidelines. This will, of course, require a significant mindshift, particularly as there may be a fare difference between the lowest logical and the greenest flights. As such, implementing a threshold (e.g. a maximum of 20% over the lowest logical fare) may be a good first step.

When presenting this option, travel leaders should assess the financial impact of allowing greener flights versus the anticipated long-term reduction in travel spend by reducing the number of trips taken by employees. If the per-trip cost rises by an average of 10% while the volume of business travel is down 30%, it's far easier to make a case to implement this policy.

Incentivize teams to minimize carbon footprint

Many employees, especially younger travelers, will embrace a new, more sustainable policy, and will happily change their travel habits. As with many areas of life, there will continue to be holdouts who won't be so willing to move away from their preferred frequent flier programs, or change their habits. Providing incentives or gamifying carbon reductions (with prizes or rewards) could help to make changes stick throughout the organization.

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Start small with things like a reminder to pack a reusable water bottle in your bag, or to distribute meeting materials and agendas electronically versus on paper.

Hansini Sharma

Practice Lead, Corporate Travel
Acquis Consulting

Conclusion

Clearly the best way to reduce an organization's carbon emissions is to cut down as much travel as possible; continue using Zoom in lieu of meetings; combine trips wherever possible; attend conferences virtually, and so on. A trip that doesn't even happen will have a far more positive impact than any of the measures here. But clearly there will be a considerable return to business travel, so the goal is to do the most to minimize a traveler's environmental footprint, so any of these efforts is better than the status quo.

There is no panacea to making business travel more sustainable, and as this ebook demonstrates, there are countless factors to consider, both for an overall program and for each trip. It's easy to become overwhelmed with all of the possibilities for developing a program, and to determine which levers are the most effective for reducing emissions and waste. The best counsel here would be to not let the perfect be the enemy of the good. Every action, no matter how small, which helps an organization to move away from the status quo and improve its environmental credentials, is a step in the right direction. In fact, implementing a program in stages will likely lead to more success and uptake, as it's less of a jarring change to existing habits.

Sustainability is only one element of a travel program that any organization needs to consider.

If the sustainability measures are prohibitively expensive, they may be vetoed by the finance team. Travelers' own comfort and convenience must also be factored into any decisions. While travelers should understand that these changes are critical and may require flexibility and understanding, most will not be willing to immediately give up the perks and creature comforts that many will feel they have earned. As with financial leaders, if the travelers themselves find themselves burdened by strict sustainability measures, they may simply choose to either ignore them or move to another employer. It's incumbent upon travel leaders to work with finance and HR as well as other departments such as sustainability to develop and manage a program which works for all stakeholders.

Business travel may be one of the biggest contributors to an organization's carbon emissions, but it's far from the only one. Organizations should implement travel sustainability measures with other changes, such as replacing laptops less frequently, using LEED-certified offices, converting fleets to electric vehicles or even using recycled paper in printers. Combining all of these elements can have a huge overall impact on the environment, and can also help the bottom line. It's no longer a question of "can we afford to become a more sustainable organization," but "we can't afford not to."

Emburse® can help

The benefits of automating spend management extend far beyond finance. Organizations that adopted automation find it significantly easier to carry out the important work of data-driven spend management. As a result, they're more able to stay competitive in the face of adversity by driving key strategic decisions to improve cash flow and maximizing the value of company spending.

About Emburse

Emburse is a modern spend management company that offers solutions that revolutionize the way organizations manage employee expenses, process invoices and make payments.