

Measuring success in sustainable travel, minus the greenwashing

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Rich Johnson: Hello and a very warm welcome to Business Travel on the fly. This is CWT webinar and podcast series. I'm Rich Johnson from CWT, and I'll be your host for the next 45 minutes. For those of you joined for the first time, this is actually our third webinar in 2021. And it's brought to you in collaboration with Cvent and CWT Meetings and Events. Now we all remember simpler times when the success of a travel program was measured by how low we could get a booking fee, or the size of discount on our air ticket and hotel room. Well, the world has moved on a lot. And this is no longer enough. As I'm sure many of you know, June the fifth was World Environment Day and today happens to be World Oceans Day. So given the global focus this month on the environment, it's very fitting for us to use this episode to talk about one of the hottest topics in our industry right now, which is sustainable business travel. Specifically, we'll be discussing a major point of contention in making corporate travel programs greener, which is how companies should set targets and then measure their success. I'm absolutely delighted to have an experienced panel joining me today to dig deeper into this topic and share their expert insights, starting with Eric Rhode, Senior Manager of travel and TEC reporting at Facebook. In the seven years Eric's been at Facebook, he's built processes and programs across the travel expense and corporate card space. And he's currently responsible for global travel and reporting for this area. Second, we have Nash Hirjee, who's director of global corporate accounts at United Airlines. Nash has been with United since 2019. But he has over 22 years combined experience in the airline industry. He manages a team of sales professionals from his base in California, who partner with some of United's largest corporate customers on the west coast and in Asia. And last but not least, Edwin Zijdeveld, who's responsible for business development and co2 reporting at the environmental nonprofit atmosfair. Now, Edwin's role at atmosfair is to guide stakeholders across the business travel industry on how to make their operations more sustainable. So big thanks to all of you for being here. And being part of the conversation today. Now you've heard all about our panelists and how the format will be let's dive straight into the subject. And we'll begin by setting some baselines for the idea of greener programs with our panelists. So the first question is, when we think about making travel programs greener, what does that actually mean? For instance? Is it overall co2 reduction? Is it smaller carbon increases as travel resumes? Or is it ethical supply chains? Or perhaps something else? We'll start with you please. Edwin, and then Nash and Eric,

Edwin Zijdeveld: Thanks Rich for for introducing us.

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Yeah, the answer is actually

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it's all of it.

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Co2 reduction definitely is one of the key, the key things here that will be measured, because I mean, this is what the atmosphere is also reacting to, simply the amount of carbon in the atmosphere. And this is also what would we as as corporates, would we as countries have to

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respond to when it comes, for example, the Paris Agreement, all of the markets we are working in are bound to this.

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So carbon reduction is definitely one of the one of the key things.

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There was also regulatory boundaries that are becoming increasingly strict. You may have heard about recent court rulings here. As I said, Paris Agreement, European Green Deal, all of these are looking at co2 numbers that are to be or have to be decreased, reduced here. And the second thing is also travel costs. It's, the thing is carbon is becoming, it's getting a price, it becomes cost to cause emissions, which means on the other hand, if you manage to reduce emissions, you also managed to reduce your costs. So it definitely becomes an economical factor there as well. Excellent.

Rich: Thank you, Edwin. Over to you, Nash.

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Nash Hlrjee: All right, thank you rich and good morning from California. Quite frankly, the biggest culprit in the aviation industry is emissions from jet fuel. The aviation business is a carbon intensive industry that really has few alternatives to jet fuel. So we have to focus on finding alternative lower carbon intensive solutions, and for United Airlines that greener solution is sustainable aviation fuel or SAF, which emits up to 80% less carbon than regular jet fuel, and is compatible with current mechanics and fuel systems, that reduces carbon emissions. It's a far greener and better way to travel. The challenge with staff is that supply is limited, and that SAF is so expensive. But SAF is the solution to restarting corporate travel greener. As corporate travel, resumes we really don't want to return back to normal to back to 2019. We want to return to New. That means greener. If I may add one more comment about what greener means, that is our fleet. United Airlines has been the launch customer for 15 aircraft types, each one at least 15 to 20% more fuel efficient than the aircraft it's replacing. When you take up more fuel efficient

aircraft and powerful sustainable aviation fuel, you can't get much greener than that. In fact, last week, United Airlines announced a commitment for 15 supersonic aircraft, the blue overture aircraft, this aircraft will be powered by sustainable aviation fuel, and it will be net carbon zero on day one. A 100% Carbon Neutral aircraft, you can't get much greater than that.

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Rich: Yeah, thank, Nash. I saw that in the news. That's a very, very interesting, exciting developments. I think we're all going to be watching this very closely to see what comes next. And, Eric, your thoughts on this one, please.

Eric Rhode: Yeah, thanks Rich. Once again, thanks for having us. It's a great topic of discussion. Thanks to Edwin and Nash for really kicking it off, hitting some excellent points there. The pieces I would add is Facebook as a company is a participant in the science based target initiative -sbti- for many years now, and we've been working on you know, upstream or scope one or more direct emissions for some time now. As it pertains to travel, which falls into scope three or indirect emissions. We've been purchasing offsets now for for some period of time, which we consider to be a non negative step. And so for us, greener travel means reduction, because if we do offsets, we're still emitting the same level. And our objective is to reduce our overall footprint over a period of time. And so how do we do that smarter, better, more efficiently, is what we're looking to do.

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Rich: Fantastic. Thank you. For your contributions there. You mentioned offsetting. So let's, explore our settings a little bit, shall we? Carbon offsets are one of the main tools that airlines have used to mitigate the climate impact of their operations. And we know that many companies have negotiated offsets as part of their contracts with airlines. Questions are often raised about how beneficial carbon offsets really are, and I'd be interested, Nash to hear your thoughts on that.

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Nash: All right, Rich, thank you. You know what, at United Airlines we believe that carbon offsets are one solution, and they're certainly better than taking no action at all. As Eric said, they really don't solve the carbon emissions problem at the source, they offset carbon emissions that are generated elsewhere. And quite honestly, we need to reduce the amount of carbon that we're putting into the atmosphere at the source. So at United Airlines, we're aiming beyond carbon offsets. We're the only airline that's committed globally to achieving 100% Green without the use of carbon offsets. And again, our focus is going to be sustainable aviation fuel. We want SAF to power more of our flights and reduce emissions at the source. In fact, every United Airlines flight that departs LAX is now powered with sustainable aviation fuel. But here's the challenge to move beyond offsets. Sustainable aviation fuel is much more expensive than regular jet fuel. Sustainable aviation fuel is much more expensive than carbon offsets. You know, society has historically demanded sustainability but has been unwilling to pay for it. And if we're serious about

decarbonizing the airline business, we have to demonstrate to the market that there is a demand for sustainable aviation and for sustainable aviation fuel. We have to get that cost down. And we're seeing this happen, slowly but surely. As corporate business travel restarts, we're grateful for the support from over a dozen of United's corporate customers who have joined our Eco skies Alliance program. What does this mean? Well, these customers have agreed to pay the price difference between regular jet fuel and sustainable fuel what we call the green premium, and are receiving the benefit in the form of reduced travel emissions. So we're looking beyond offsets, because because we believe there's a better way to decarbonize the aviation industry.

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Rich: Fantastic. Thanks, Nash. So we've talked a little bit so far then about some of our definitions of what it means to be greener and the role of offsetting in that, I'll stick with you just for this next question as well, if I may Nash, which is the role of suppliers. It's a critical one. It's critical in helping organizations to achieve their goals. And as we, I think all know, air travel is usually the largest contributor to the carbon footprint of a travel program. So when it comes to specifically measuring improvements in sustainability, how can airlines help to introduce creative ways of measuring those improvements?

Nash: Yeah, that's a great question, Rich, thank you.

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Well, I think one of the biggest challenges we face is, is making our significant actions that have already taken place more visible to the traveler, to the customer. You know, we've come a long way in terms of fuel efficiency to today's jets are about 80% more fuel efficient than the first jets that were introduced in the mid 1950s. But it's really not possible to see these improvements. I don't think any of us know what a ton of CO₂ looks like, because it's invisible. And so it's hard to show the tangible benefits of sustainable aviation. At United, we share sustainable sustainability information, such as gallons of fuel used and metric tons of carbon emitted for business travel with our corporate customers. And we also suggest ways on how to reduce that corporate carbon impact. We also provide emissions information from business travel based on class of service, based on top city pairs, top airport, departure. Perhaps the biggest challenge with biggest challenge is what to do with this information from a sustainability perspective. For companies that value sustainability or have a green commitment, how do we move beyond lowest logical fare to recognize that cost of sustainability? After all, sustainable aviation fuel can cost up to three times more than regular jet fuel? What would it take for a corporate customer to sort flight options by carbon emissions based upon the type of fuel used, or the type of aircraft flown? After all, a 787 is much more fuel efficient, and less carbon intensive than a 747. So the data is there rich, and we can measure the progress? I think the question may be, how do we apply it towards a more sustainable aviation future?

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Rich: Excellent. Excellent. Thanks, Nash. And you mentioned data, which actually triggers a thought because Edwin, I'm sure all of us are very keen to hear about how to use data effectively. So I'll ask my next question to you, which is the role that reporting plays in successful green transformations? What is that role, both in terms of the outputs, and also the methodologies behind it?

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Edwin: Yeah, thanks, Nash said actually, a lot of what's very relevant, knowing as a traveler, but also as a Travel Manager, what your missions are, what exactly they are, and where they come from, is very important. Because if you want to take action, you really need to know where to start. So getting emissions details as detailed as possible, as granular as possible, per flight even or per department or per traveler, that's very important, because only then you can, you can know where to start at. The interesting here is also it creates awareness because in the end, it's often the travelers themselves that have a say in how much they travel. So if you have dashboards for example, where they can see what their travel choice actually means in terms of carbon, they also become aware of what is going on and what's happening and also find levers maybe where to where to start.

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So, having the data applying there properly is very important.

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Also, on a corporate level, setting the baseline for your emissions, emissions measurement and seeing how you perform along this baseline according to this baseline year on year is very important, for which you need consistent data. So output data are very, very relevant in this respect.

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When it comes to methodology, it is choosing the methodology that delivers you these data, delivers you the proper granularity you wish so without a proper methodology, you won't get to the to the goal you're aiming at, that is creating good data.

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And also the level of granularity for example, it very much depends on the methodology you choose. And there's different methods out there which makes it of course very complex. But there's also for example, countries have specific methodologies which they require for

environmental reporting. This also should be relevant for you if you want to choose the proper methodology to calculate all this.

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Rich: Thank you. I guess that's why we need people like yourself to help guide us on which methodologies should be the best ones for us. Shifting gears for a second, if I may, Eric, Facebook's got a very large and complex travel program and you obviously run it very effectively, I'd like to ask you on this issue of sustainability: is the best way to influence employee behavior a top down or bottom up approach? And depending on your opinion, why do you think that?

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Eric: Yeah, it's a great question. And something we consider, I feel like with multiple facets of our program,

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probably not a surprise to people, we need both, we need top down. And we need bottom up, I don't think we would look at it that hierarchically. But what we really need is to ensure that there's alignment on company wide sustainability goals, as well as business objectives across the organization. And that we've got key partners and leaders on board with us. We don't want to be in a place where,

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you know, there's a friction between groups because of lack of clarity, on overall goals, we really need to drive for alignment at those levels. But that said, though, in addition, that it's absolutely required, that we communicate with individual travelers, you know, at multiple points throughout the planning, booking and after the fact process, Edwin nailed it, we need to have accurate dashboards that when we're looking after the fact reporting, reflect the same information at the time of booking, and this same information at the planning and budgeting stage, so there has to be consistency with how we communicate with travelers and their managers, so that those overarching goals we have as a company can be reflected and rolled up cleanly.

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Rich: Excellent. Excellent. Thank you. Thank you. So so the influencing of behaviors has to be very much data driven. And what I'm hearing is consistency and multiple touchpoints. So thank you very much for that, Eric. This next question I'd like to ask to you, Edwin and Eric, which is what would each of you recommend travel program leaders to use as metrics that they can measure their sustainability success against? Perhaps, Edwin, if you could just take that one first?

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Edwin: Yes, thank you. Yeah, this nicely connects what I said in the beginning, the absolute amount of carbon is definitely one of the key metrics, because this is what you will be measured against as a corporate, but also on an employee level, probably. So absolute amount of carbon, it's definitely one of the key metrics, here.

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Also, other KPIs. So there are various ways of looking at this, too. So carbon intensity, for example, is very interesting there as well. So how much carbon did you cause per dollar, per employee, you can become, even if your total numbers do not change much in a growing market, you can still become more efficient and perform better compared to year on year.

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Benchmarking here is interesting as well, or is relevant as well. How do you perform against against your industry? Are you above average, this is something to strive for.

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And maybe another one, which is very interesting, Eric touched on this shortly, employee satisfaction, because we found out is many employees are willing to play a role in this reducing their carbon footprint. And if you enable this through dashboards, for example, they are happy that they can see this and they feel like able to add a bit to this. So employee satisfaction also isn't a very interesting aspect here.

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Rich: Definitely very interesting. Thank you, Edwin. And, Eric, could you add your thoughts to that question as well?

Eric: Sure thing, it's an interesting question once more, how do we set targets without knowing what's reasonable, or achievable? I think it requires a clear understanding of our, you know, a company's organizational sustainability goals once more. And it's really an interesting opportunity for collaboration, because anyone who's worked on travel, knows how difficult and nuanced it can be to explain the intricacies of travel data along that, that value chain. And I feel that at times the sustainability organizations can feel the same just due to the level of detail and in knowledge that's required to get up to speed there. So I think it's a really good opportunity to collaborate on what those goals are to create clarity for folks. To that end, though, what metrics are we looking at? We've got a number in development right now that we're still assessing to figure out what the

right ones are. There's high level ones, like what's our progress to goal or what's our expected versus actual so having a goal and then bringing that backing into that over a period of time.

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Edwin nailed it, on what's intensity, and so some things around emissions intensity, or what's your emissions per trip day, sort of to try and get at, you know, as that's lowered, presumably people are getting their jobs done, but doing some more efficiently. Other things like what percent of trips are both lowest logical, which is a legacy metric that we're all familiar with, but also which percentage trips are lowest logical and the most sustainable. What we're finding is more often than not, both of those are actually quite intertwined, especially when we look at the total cost of a trip, or we're not just looking at the cost of the respective segments. But the cost of offsetting the cost of reductive measures that go into that are becoming very interesting to look at from a holistic perspective as well.

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Rich: And it makes me think a little bit about baselines as I'm listening to you talk there, Eric, because you touched on very briefly there about what's what to do with regards to target setting. So for those of us listening here who don't know necessarily what is reasonable, or achievable, how do we, how do we go about setting targets without knowing what that is? At the start?

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Eric: Sorry, which was that a follow up for me more? I want to make sure I got that right.

Rich: yes, yes. yes, please.

Eric: Cool. Yeah, I mean, like, partnering is really important, both internally, I think, and externally when it comes to baselining. Because one of those areas that our sustainability team has much more expertise than than we do is how do we work with verifiers? How do we validate that whatever numbers we're saying have meaning or backing and in science through organizations that dedicate themselves to this? And I think we can provide a dearth of, of detailed travel information, but working with our team to say, hey, here's, here's our metrics for a year. And us saying like, Yep, this is what we agree upon drawing up from multiple different data sources for different segments.

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To set that baseline, we have to effectively say like, how close are we with our numbers? And then work with our sustainability team to say, is this is this a real number? Is what we're looking at the one we should be getting at here? And then what's a reasonable, and at the same time, aggressive target to reduce that over time?

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Rich: And I'll throw it back to you, Edwin on this. Because this, I think, ties in very nicely to what you and your organization do. What's your perspective on this topic of setting targets without knowing what's reasonable or achievable to start with?

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Edwin: Yeah, indeed, it's, it all comes, it all is connected to the reporting, to knowing your numbers, as I said before, and if you know, the biggest levers, for example, you get, they also give you a hint on what is achievable.

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Looking at the big chunks and start working on there, because they really make a big, big difference there.

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But it's very important to to set goals. And there is, for example, a science based targets initiative, helps companies helps corporates to set exactly those goals that are both reasonable and achievable. And which is just as important, in line with the Paris Agreement, for example. Because the Paris Agreement is, as I said, before, we all are bound to because our nations subscribe to this. So science based targets, definitely gives you a good hint, because they can set an end goal where to work to they can set also steps on the way.

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They can, it helps you to see what is actually credible, what's achievable, it helps you to have very ambitious goals, but also realistic goals.

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And this, they work on a corporate level. But the good thing is they also look at various scopes. So even on a corporate level, if you have certain reduction measures or reduction targets, they help you to see what where in your organization, where in your value chain, can they be achieved, and if they cannot be achieved here, you are also able to achieve them there. So it's not as strict and as fixed as you think. Science based targets is definitely yes, something to recommend here.

Rich: Excellent. Excellent. Thank you both, that was a very, very insightful answer.

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Nash, let's bring you back in on this next one, then, which is to do with alignment. So what challenges do you think companies should expect to face? And how could they align themselves, not only internally, but also with their external partners to overcome some of those challenges?

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Nash: Thank you, Rich. That's a good question. And for us at United, we believe that the biggest challenge is that sustainability isn't cheap, at least not today. But education and awareness may be the best way to overcome that challenge. Most of us believe that there is a balance between sustainability and business travel. I think we all know we can travel smarter and we can travel greener, but in the lowest logical airfare environment, how do we pay for that increased cost of sustainability? How do we align our values and our budgets? My sense is that this is changing. I really do believe we have a historic opportunity to restart travel greener, supported by education and awareness. As I mentioned before, our Eco skies Alliance program partners collectively agreed to pay that green premium cost between sustainable aviation fuel and regular jet fuel to demonstrate a need for a more sustainable aviation future. And this is one way to overcome that cost challenge.

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As Edwin said, I believe it's true that some fliers, some travelers may be willing to pay slightly more to choose a more eco friendly travel option. But how does this fit into today's corporate travel program? I mentioned earlier that every United Flight departing from LAX is powered by sustainable aviation fuel with its associated lower carbon impact. But how many people know about this? How do we better educate travelers within the current guidelines of corporate travel about more sustainable travel solutions? We'd like to work with Park travel partners on this. We've been focused on decarbonizing for years, but education and awareness are opportunities that we need to do collectively as an industry.

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Rich: Excellent, excellent point. Thanks. Nash. So education and awareness is a big part of it. Speaking as a, as a leader of a travel program yourself, Eric, do you have a view on this as well?

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Eric: Yeah, I like what Nash said, like those, those points you summed up there of education and awareness are a huge part of calling attention doing so appropriately. To build on that, some of the challenges that, you know, we see potentially happening are, you know, a scarcity of, let's say, carbon credits within a company. If somebody has suddenly aggressive carbon goal, then the

teams who are able to travel might have challenges, you know, jockeying, so to speak for, for those credits to use for their teams to make their respective impact.

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That would usually happen if a company didn't have a ton of other constraints before and this is the first time they're engaging in it. If, however, a company internally already had, you know, pretty tight controls, let's say finance budgets to control the lid on travel, as it were, shifting that towards looking at a more carbon reductive approach wouldn't result in as much friction as those because there's already the the boundaries in line to look at that sort of thing.

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I think, I think that that little rep, that'll do it for sort of the internal bit, even though we could talk more on that, externally, I think it's just as interesting because it helps bridge the gap a bit.

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You know, what comes to mind is how we, how corporates, work with suppliers, there's some things that we need to unlearn. And that we could probably rebuild in terms of how we've, you know, engaged for some years now. There's a lot of tools, many of them are really highly optimized around how we talk about goals or discounts or other aspects of the contractual relationship.

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These have taken years to develop and create alignment and even agreement on the reporting that goes into that, I think we have opportunities to create better partnerships with our travel partners that are more holistic. So those things I mentioned before, don't necessarily need to go away. But they can be weighted appropriately to reflect the objectives of our organizations. How do we integrate sustainability as a key tenant, in our contracts going forward? How do we put the right incentives in place for our partners, such as airlines, United and others, to help us meet those goals as an organization because we can't do it independently. So we have to figure out where we could partner more closely.

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Rich: Excellent, excellent. Thank you. Thank you both, that's a really great answer. And Eric have seen firsthand some of the ways in which Facebook is really leading the way in that rebalancing of the relationships you have with partners and suppliers. So thanks for the contribution there. Okay, well, final question from me for today, then, is to do with timeframes for results. And my question is, do we think that success is something organizations should be patient about and take a long

game approach to measuring? Or is it more advisable to target short term wins? So I'd be interested in the whole panel's perspective on here. Let's start with you, Edwin, please.

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Edwin: Yeah, as so often that the answer is once again, it's actually both so long term targets are definitely needed and required I think, so no way you are going to. A predictable pathway here, I think it's very important for your organization, for your stakeholders, for anyone involved so they know where the road is going to and it makes your organization more resilient. But also look at the different milestones on the way so whether you are on track to do this using a kind of carbon budget, for example, to see whether you're on track within your budgets to achieve that the long term goals. So the one doesn't go without the other, I think.

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Rich: Excellent. Thank you, Edwin. And, Eric, could you go next, please?

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Eric: Sure, thanks. Thanks, Rich.

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Yeah. You know, as we talk about long game or short game admin hit, it's another item where it can be both. I think the way that we think about this, as long term goals don't just happen by accident. A lot of times you see a headline that comes out and you think, look with this company or initiative accomplished, but what we don't see is all this small steps, many done by many large teams, consistently over the course of years, a lot of the time, that were required in order to get to that point. And so I think it makes a lot of sense to have a long term goal. But don't put off, you know, setting short term milestones, even if it's a goal to make the goal, like any progress along that spectrum, to make that long term goal and impact is absolutely critical. So, you know, I think long term is important, but short term as well, because it helps get buy in from individuals across the organization in order to reach that end.

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Rich: Fantastic. Thanks, Eric. And fun to watching you on that Nash.

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Nash: I would agree with Edwin and Eric. And the answer is both. The long term is what matters. But short or small, short term successes can make a big difference, they build momentum. The

small steps forward that we take today towards a more sustainable aviation future will be remembered as giant steps forward in the future. You know, if I may share a story, I had the privilege to work in an airline that has a famous legend about removing an olive from the salads in first class, it saved between 40,000 and a million dollars a year depending on who you believe. But bigger than the olive, the point was that it created a culture of cost awareness that could have saved \$40 million per year, or perhaps even \$400 million per year. The same can be said about sustainability. Small steps forward today, towards a more sustainable aviation future supported by education and awareness can make a much bigger point about the demand, the need for a more sustainable aviation future long term. So I believe that small symbols now have the potential to generate large change and transform culture. And that's very applicable to us in the aviation industry.

Rich: Excellent. Thank you. Thank you very much for your answers to these questions. So it's almost time to hand you over to our time audience. But just before we wrap up and move to a q&a session, we would just like to ask all of you in the audience for dialing into there a couple of questions on how you view sustainability in travel. On the right side of your screen, you may have noticed a polling section with two questions. If you haven't already done so, we would greatly appreciate if you can take a minute or two to respond. And whilst we're gathering any final responses to those Let's kick start our q&a.

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So I see just as the polls are forming here, it looks like the following travelers supply categories, which are seem to be leading the sustainability spaces, airlines, but it's quite close. Between airlines and hotels, which I find interesting. I thought it would be a much heavier weighting towards airlines with your 50% Airlines 42% hotels, does anyone on the on the panel have anything they want to contribute to why that might be so close?

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Eric, how about yourself? Do you have a view on why hotels might be seen as such a strong contributor to leading a sustainability drive?

\eric: Yeah, I wonder. Yeah. It's an interesting, I think hotels make up, such a small percentage of our total program emissions. That I wonder if it's perceived that you know there's less emissions to improve upon. So if they build a building that's that's a LEED certified and it's sustainable, and they can see that happening. Maybe that's just more in mind where there's less to improve to begin with as to whether close that that's the first thing that comes to mind. I don't know if that checks out with others though.

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Rich: Yeah, interesting, I was wondering much the same. Edwin or Nash, do you have a perspective on this perhaps. Perhaps not in the in the roles that you occupy? But just in case.

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Nash: just to confirm Rich? The question was, which, which is supporting a drive towards sustainability is that correct?

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Rich: Yeah, it's which of the supplier categories the audience see as leading the sustainability space today?

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Nash: It does surprise me that hotels are so strong. But I'm encouraged to hear that because quite honestly, it needs to be a holistic solution from end to end, not just from gate to gate. So obviously, the airlines have had a long history of supporting sustainability solutions. But it's interesting about hotels. Eric is right, if you check into a LEED certified hotel, you've got recycling, you've got opportunities to reduce your carbon footprint at hotels, that's powerful, just like it is with the airlines.

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Rich: Yeah, excellent.

Edwin: Yeah, from from my point of view, I think it's also it has to do with tangible. So if people stay in a hotel, it's very tangible, because it is being caused where they stay in an air craft, people have less, have the feeling they have less influence. For us, which our job is measuring emissions, SAF, for example, were made up only a very tiny part so far, but they will take up take off big time.

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They were tiny so far, that we couldn't even measure this because there was simply not enough to measure.

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But we think that this will change quickly in the next few years. Once SAFs take off, when they make up a bigger share, once people will be able to add SAFs to their tickets to really reduce the carbon footprint of their ticket, it becomes tangible to people as well and people become much more aware of the opportunity.

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Rich: Excellent. Thank you. And then on our second question, which is as a business traveler, how willing would you be to sacrifice comfort and convenience to reduce your carbon footprint, we have the bulk of respondents saying I'd be somewhat willing, followed by a little willing and then very willing, but it shows that we're talking 70, 80, 97% of our respondents, to some degree, are willing to reduce comfort and convenience in favor of a smaller carbon footprint. So I think it's I think, incredibly encouraging in terms of just the general, the general will to do good for my travel programs and for the industry. So that's wonderful to say. We have a few questions coming through which I'll put to the panel. So I'll just check up on my screen here. So the first question I have is:

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In your experience, does making travel programs more sustainable typically mean higher costs? And if so, by what percentage, on average, do costs increase?

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Who would like to take that one first? If, if no volunteers, then I'll allocate it.

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Okay, let's go over to Mr. roadie, then Eric, could you take them on first please?

Eric: To confirm your question is, if we make a sustainable program that increases the cost? If so, how much? Rich: Yeah.

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Eric: All right. I think it's difficult? I'm trying to think through the tenants of the question how I would go about answering it. It's kind of difficult to answer that now in the year of COVID, where no matter who you look at it in cost came down compared to years prior. I think all else being equal, though.

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I think if you don't change your travel patterns at all, and if there was 100 units of travel that occurred in year one, and you have a sustainable program, and those same trips occurred in year two, the cost from year one to year two would go up, whether it's strictly the cost of offsets, you purchase the cost of SAF credits that you're investigating purchasing to reduce that footprint, then it would definitely go up. And depending on how much you travel that would affect the percentage.

38:55

I think if there's an opportunity to stay neutral, so I think Edwin articulated a couple of thoughts around, you know, carbon budgeting, where if you have instead of looking at trips or cost budget from year one to year two, you look at okay, how much carbon did we have it? Let's stay at that level. And identifying ways to have more efficient travel or the same number of days at a destination with fewer flights to get there. So slightly longer trips as an example. I think those are opportunities to remain cost neutral while becoming more carbon neutral, if you will, but it really is going to depend on you know, the company needs at all, you know, with the 1000s of different routes we fly a year, what's the mix, how's that evolving? What are your policies are on that? So I hate to make it a no answer. But it's an interesting thought experiment.

39:39

Rich: Absolutely. It's not necessarily an easy one to answer, but I think you've listened to make some points. Right. Thank you. Second question we have here, Edwin, I think this one's tailor made for you which is measuring the carbon footprint of taking a flight seems quite straightforward, but what metrics can be used to measure the environment environmental impacts of other parts of a trip such as the hotel stay?

40:02

Edwin: Yes, that's it's interesting. Because indeed, if you want to know the full picture, you should indeed look to the full picture from leaving home till returning home.

40:16

There are various metrics, as being in the business of measuring this. It's complex, though. So measuring hotels on an individual hotel level, it's hardly possible because there are simply so many hotels out there, they don't often even know their carbon footprint themselves. So we often have to rely on average figures. But what helps there is to look for hotels, for example, that have a, an environmental program in place so that you can at least know that they are above average compared to other hotels.

40:51

But if I look at this from a total perspective, a total trip perspective, it still shows that flights simply is the biggest share of carbon.

41:02

That simply is the fact. The question is then how do we deal with this? It can be 60, 70, 80% of a trip, if flying is involved. And so looking at flight, I think is just as important that looking as look at the other aspects.

Rich: Excellent. Thank you. Nash. And we've got lots of questions coming in, by the way, which is absolutely wonderful to see, we're going to do our very best to answer as many as we can during this session. So let's let's fly through these as quickly and get as many as we can. So the next one,

41:33

going by popularity and up votes. Andrew Cohen, thank you for your question here. So sustainability covers a lot more than carbon reduction and offsetting. And the question is, what steps are the panel taking to ensure greater equity and equality within their supply chain and the world? Making changes for good for people around the world? Terrific question. Nash would you be able to take this one first please?

Nash: certainly, and thank you for the question.

41:59

For United Airlines, 98% of our scope one carbon emissions are coming from the jet fuel used to power our aircraft. So for us, we are focusing on reducing that impact. Again, there's not a lot of options available because jet fuel was carbon intensive, our business is carbon intensive. So we have to reduce that carbon that's coming from the jet fuel, which is why you may have heard me talk about sustainable aviation fuel. But even sustainable aviation fuel is not enough. So another way that we're going to help reduce our carbon footprint and offset some of the carbon generated by our aircraft engines is we're investing in direct air capture, where we're actually going to pull carbon out of the atmosphere and store it in the ground or repurpose it for other carbon neutral or carbon negative processes. So for us, the focus is going to be on reducing the actual carbon emissions at the source. But we do make sustainability a part of our entire supply chain and lifecycle development for products. For example, a new supersonic aircraft will be the first net carbon zero aircraft, I think you'll see that trend happen more and more in the future.

Rich: Excellent. There is a second question here, Nash, which I think also is probably appropriate to stick with you on this one, which is, I love this one actually: what work is being done with airports to implement the infrastructure for the supply of SAF. If this is not rolled out at the same pace, we risk diminishing some of the SAF value if there's carbon intensity to get it to the airports?

Nash: Yeah, that's a that's a great question. Part of the criteria for our sustainable aviation fuel development is that it has to work with existing infrastructure. So the sustainable aviation fuel that United uses at LAX airport, goes into the existing fuel tanks, and it goes into the existing infrastructure, it's used in the same aircraft engines that regular jet fuel is. So the improvements that are required by an airport for sustainable aviation fuel are minimal. And that's important because that allows airports to join us in the journey towards sustainability by not having to take large scale investments that may take years, we can simply say, we're going to start pumping jet fuel into the fuel tanks without any impact. And we've proven that successfully at LAX.

Rich: I'll recap a few of the key points that we've heard today, which is that, first and foremost, there are several ways to measure green initiatives, successes, but the advice, I think, is to definitely set targets even if they have to evolve over time, imperfect ones are better than having no targets at all. Secondly, whilst having a long term idea of what success looks like, it's also important to have short term goals because those will be critical to building momentum that ultimately gets you to the achievement of those long term goals.

44:53

The idea of offsetting, which we talked about is evolving. And we're hearing that companies should also be thinking perhaps about decarbonization, as well as our over offsetting. And we're at an exciting time for our industry when we think about the potential for things like sustainable aviation fuel, as it becomes more and more economically viable. Overall, a broad set of metrics is preferable to having just one or two, and that could include monitoring gallons of fuel use, tons of co2 created, trying to build up a picture of carbon intensity at an individual traveler level. And the reason that's so important is that then tailored approaches can be taken to reducing that intensity. And fundamental to that point, is the role of reporting, which should be thought of as enabling us to create awareness, highlight the reality of decisions, and really help people to make informed choices. And then finally, when it comes to reinforcing the behaviors you want to see, a combined top down and bottom up approach is the best way to ensure sustainable success gets really embedded into your organization's. So I hope that you found this a valuable investment of your time. 45 minutes with these guys in exchange for an outline to sit and measure success seems like a good deal to me. I'd like to thank you all for joining us and for your questions. And thanks also to our panelists, Eric, Nash and Edwin for now. It's goodbye from us.