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TRAVEL &
TOURISM
COUNCIL

LEADING THE CHALLENGE ON CLIMATE CHANGE



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His Royal Highness The Prince of Wales



CLARENCE HOUSE

No one must be in any doubt – if doubt were possible – that climate change is the greatest threat facing Mankind. For too many years we have pushed the natural limits of our planet further and further. Now, painfully, we are finding the breaking point.

While I am enormously encouraged that Global Warming has become a subject which occupies the minds of most Governments, international organizations, companies and individuals, I am still deeply concerned that we are not doing enough, quickly enough. The science tells, quite clearly, that unless we start reducing carbon dioxide emissions urgently then we may not be able to avoid catastrophic climate change. The time for obfuscation and delay is over. We simply must act now...

The downturn in the global economy must also not deflect us from tackling this crisis. The Credit Crunch will be nothing to the devastation that will be caused by the Climate Crunch. That is why I am delighted to introduce this report from the members of The World Travel and Tourism Council. *Leading the Challenge on Climate Change* highlights the threats and opportunities to which the travel and tourism sector must respond in the next decade. It is timely in offering leadership and commitment from those in an influential global industry.

This year the world's politicians will be working towards a new agreement to reduce global greenhouse gas emissions. If the members of the WTTC can demonstrate action now it will, hopefully, encourage those international negotiators who will gather in Copenhagen at the end of 2009 to be as bold as they need to be.

I shall follow the progress of WTTC members with the greatest interest as they put their commitments into action. I can only offer the continued support of the Cambridge Programme for Sustainability Leadership, of which I am Patron, together with my Charities – Business in the Community, The Foundation for the Built Environment and the Rainforest Project – to help all those who need it.

If I may, I would like to congratulate, most heartily, those companies named in this report who have committed to action and I can only finish by saying that I pray they succeed in dramatically reducing their impact on the environment and, indeed, in enhancing the environment and local cultures by the sensitivity and sympathy of their developments.

A handwritten signature in black ink, appearing to read 'Charles', with a long horizontal flourish underneath.

WTTC would like to thank all the senior executives representing the organisations listed below for their time, expertise and input, reflected in this report:

Abercrombie & Kent Group of Companies
Accenture
Armstrong Group/Rocky Mountaineer Vacations
Barceló Hotels and Resorts
British Airways plc
Collette Vacations
Dubai Department of Tourism and Commerce Marketing,
Government of Dubai
Emirates Airlines & Group
Global Leisure Partners LLP
JTB Corp
Jumeirah Group
Mandarin Oriental Hotel Group
Marriott International Inc
Morgan Stanley
Nakheel Hotels
PhoCusWright, Inc
Preferred Hotel Group
RAK Investment Authority
Robert H Burns Holdings Ltd
Sabre Holdings Corporation
Saraya Holdings
Scandic Hotels
Silversea Cruises
Six Senses Resorts & Spas
Sol Meliá
R Tauck & Partners LLC
The André Jordan Group
The Puccini Group
The Rezidor Hotel Group SA
The Travel Corporation
Travelport
Tsogo Sun Group
TUI AG
TZ Associates Ltd
Universal Media
Whitbread plc
Wyndham Worldwide

Legal Advisers



Advisers

International Business Leaders Forum
Business in the Community
The Prince's Foundation for the Built Environment
University of Cambridge
University of East Anglia

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THE WORLD TRAVEL & TOURISM COUNCIL (WTTC) IS THE VOICE OF THE WORLD'S FOREMOST 100 TRAVEL & TOURISM LEADERS. IN THIS REPORT WE SHARE OUR VISION OF SUSTAINABLE MOBILITY AND GROWTH IN LEISURE AS A VITAL PART OF MODERN LIFE.

The Travel & Tourism industry comprises diverse and interdependent sectors which together represent 10% of global GDP and 8% of employment worldwide. As a major contributor to wealth creation and the well-being of the global community, the industry is well placed to grasp opportunities presented by a new low climate risk economy. With its global reach Travel & Tourism can offer leadership and vision for the collective efforts of governments, business and civil society around the world.

Many leaders from our industry have harnessed the challenges and opportunities presented by climate change. Sustainable development strategies, eco-planning and responsible operations are becoming commonplace. This report offers a shared vision for our industry which aims to build on the work already underway and to guide the progressive development of new business models decoupling growth from increased greenhouse gas (GHG) emissions.

The report sets out ten actions which will make a progressive difference to efforts tackling climate change. These are based on an industry aspiration to reduce total CO₂ emissions by 2035 by no less than 50% from their 2005 levels. It sets an interim target of reducing CO₂ emissions by 30% by 2020, assuming there is an international agreement on global emission reduction, or by 25% by 2020 in the absence of such an agreement.


The success of our global efforts to achieve these targets depends on our ability to fully engage and lead the wider industry (including SMEs, estimated to represent some 80% of total Travel & Tourism activity worldwide). Through our leadership, the application of a range of incentives and practical support, we will ensure that all industry participants

are able to contribute towards this global effort. We also underline the importance of stakeholder collaboration, including public-private partnerships to achieve emission reduction.

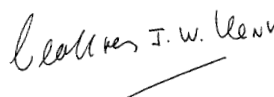
We encourage governments to implement supportive and progressive policies, as well as to offer incentives and develop initiatives to facilitate our industry efforts.

This report should help to inform governments, in particular about what the industry has achieved and the United Nations Framework Convention on Climate Change (UNFCCC) process, but also about policy decisions that can facilitate and support the transformational change needed in Travel & Tourism across the world. The key elements on which governments should reach agreement through an international framework on climate change are highlighted in the report.

In recognition of the dynamic nature of the UNFCCC process, WTTC commits to work with governments and the UNFCCC process to identify opportunities as they arise, and to interact with partners in the policy environment on an ongoing basis, in order to assist in the formulation of a supportive policy framework for a low climate risk Travel & Tourism industry.

Jean-Claude Baumgarten
President & CEO
World Travel & Tourism Council



Geoffrey J W Kent
Chairman, World Travel & Tourism Council and
Chairman & CEO, Abercrombie & Kent

INTRODUCTION



TRAVEL & TOURISM HAS GROWN TO BECOME ONE OF THE WORLD'S LARGEST AND MOST IMPORTANT INDUSTRIES AND REPRESENTS AN INTEGRAL PART OF OUR GLOBAL SOCIETY AND HUMAN ACTIVITY.

According to World Travel & Tourism Council research, Travel & Tourism Economy GDP totalled some US\$ 5,800 billion in 2008, or close to 10% of total global GDP, and accounted for over 230 million jobs worldwide.

Over the last few years, thanks to international scientific evidence, there has been increasing recognition of the threat of climate change caused by a dramatic increase in anthropogenic greenhouse gas (GHG) concentrations.

In their 2007 report the Intergovernmental Panel on Climate Change (IPCC)¹ noted that the warming of the climate system was evident from observations of increases in global average air and ocean temperatures, the widespread melting of snow and ice, and the rising global average sea level.

Observational evidence² from all continents and most oceans has shown that many natural systems are being affected by regional climate changes, particularly temperature increases.

There remains a degree of uncertainty between different IPCC scenarios. This is not an uncertainty in the science but an uncertainty in the response that society will have to this issue over the next century. The difference between the highest emission temperature scenario and the lowest is down to the speed by which we put in place mitigation technologies and the right set of policies that deliver a low climate risk economy.

The IPCC Fourth Assessment report³ states that: "The altered frequencies and intensities of extreme weather, together with sea level rise, are expected to have mostly adverse effects on natural and human systems. Anthropogenic warming and sea level rise would continue for centuries due to the time scales associated with climate processes and feedbacks,



In 2008
Travel & Tourism
Economy GDP
was close to

10% of total
global GDP

even if GHG concentrations were to be stabilised... Anthropogenic warming could lead to some impacts that are abrupt, irreversible, depending upon the rate and magnitude of the climate change.”

Access to food, water, health and the use of our surrounding environment is under threat from climate change. Examples include rising sea levels; ocean acidification; changes in crop production; and the increased frequency of heat waves, storms and other extreme weather events. Not only this, but the consequences of climate change will increase disproportionately with increased warming, with higher temperatures increasing the likelihood of abrupt and large-scale changes that may result in significant regional changes, migration and conflict. In tropical regions, the combined effect of climate change on increases in the frequency of heat waves and crop pest numbers, together with decreases in water supplies and native pollinators, could lead to substantially larger declines in food production than might have been expected through the individual effects alone⁴.

Climate change poses a considerable threat to mankind but, if we act now to reduce current levels of GHG emissions and redesign a new stable and

sustainable world economy, we can minimise this threat. The Travel & Tourism industry is ready to play its part in reducing its GHG emissions as part of an international framework agreement.

The downturn in the global economy, changes of consumer or business choice as environmental awareness grows, and the potential for governments to apply punitive tariffs on the industry in order to reduce emissions, may all impact on growth but this must be balanced against the new opportunities that will emerge. The recent *World Travel Market Global Trends Report 2008* identifies and highlights consumer trends that resonate across all regions – the desire for social and environmental responsibility, social interaction, authentic travel experiences and fair trade practices.

Travel & Tourism companies that adapt and integrate such sustainable business practices into their product and service offer will be best placed for medium- and long-term success. Recent data from consumer survey groups and Travel & Tourism organisations demonstrate that consumers are increasingly willing to trade up for sustainability, with the result that operators are now allowing ‘conscientious consumption’ to drive development into the future.

¹ IPCC Fourth Assessment Report, Nov 2007

² IPCC data sets covering the period since 1970

³ Climate Change 2007 – The Physical Science Basis, Contribution of Working Group I to the Fourth Assessment Report of the IPCC

⁴ Climate Change 2007 – Impacts, Adaptation and Vulnerability, Contribution of Working Group II to the Fourth Assessment Report of the IPCC

VISION AND COMMITMENT

WTTC MEMBERS SHARE A VISION OF SUSTAINABLE MOBILITY AND GROWTH IN LEISURE AS A VITAL PART OF MODERN LIFE. TRAVEL & TOURISM CAN ATTAIN THIS VISION THROUGH PARTNERSHIPS THAT DELIVER CONSISTENT RESULTS.

This will help ensure that the industry contributes to enriching social and economic development across the world, contributing to the sustainable livelihood of our global community and successfully decoupling growth from increased energy use and resulting greenhouse gas emissions.



We recognise that climate change poses global social, environmental and economic risks and believe this demands a transformational change in how we manage our businesses. The cuts in emissions that science indicates are necessary cannot be achieved without a transformational change in all aspects of our industry. Full transformation to a low climate risk⁵ industry will take time. It will require the support of governments, international institutions and others in creating a comprehensive package of policy measures to drive change in all sectors of the Travel & Tourism industry.

While the industry has made progress in developing tools for reducing GHG emissions in transport and hospitality, they need to be further refined and additional tools developed. We recognise the collaborative efforts within the industry to measure

and set standards for GHG emissions through national and international initiatives such as the Global Partnership for Sustainable Tourism Criteria⁶, the World Economic Forum Multi-stakeholder Programme and the International Tourism Partnership⁷. We are committed to supporting these and other collaborative efforts to ensure we can share best practice, achieve international harmonisation and avoid duplication of effort.

As many of the solutions to the challenges of climate change are complex, we will build on our existing partnerships to develop new innovative multi-sector partnerships around our shared goals. We intend to influence customers, governments and other stakeholders to create virtuous circles reinforcing positive change. We will strengthen our consumer base to be more informed and engaged in sustainable practices, so that they become more demanding in terms of their expectations and willing to support good practice. We will also work with the media to help them understand the complexity of sustainability, harness their support for our efforts and contribute to public awareness.

In order to realise our vision and create a low climate risk industry we intend to build on the targets set by progressive business leaders and current science⁸ by setting ourselves the aspirational target of reducing total CO₂ emissions by no less than 50% from 2005 levels by 2035. As an interim target we intend to reduce our CO₂ emissions by 30% by 2020, assuming there is an international agreement on global emission reduction, or by 25% by 2020 in the absence of such an agreement.



To achieve these targets we urge governments to implement supportive and progressive policies, as well as offering incentives and developing initiatives to facilitate our efforts. The current economic downturn offers a unique opportunity for governments to direct public sector investment into low carbon initiatives in Travel & Tourism that would stimulate significant global employment, reinvigorate the economy and reinforce our mitigation efforts.

We wish to collaborate with governments, businesses, non-governmental organisations (NGOs) and others to achieve shared sustainability objectives. And we have identified five sustainability themes on which we will focus our efforts to mitigate and adapt to climate change.

- Accountability and responsibility
- Local community growth and capacity building
- Educating customers and stakeholders
- Greening supply chains
- Innovation, capital investment and infrastructure.

We have also identified ten specific action items, detailed in this report, which we will implement. Progress on these actions will be tracked and reported by WTTC on an ongoing basis through a dedicated portal on our website, as well as through regular communications via the media.

At the UNFCCC December 2009 meeting in Copenhagen governments from around the world will seek agreement on:

- A long-term global goal for emission reduction
- Action on the mitigation of climate change
- Adaptation to the effects of climate change
- Technology development and transfer to support action on mitigation and adaptation
- Financial resources and investment to support mitigation, adaptation and technology co-operation.

As the voice of the world's foremost 100 Travel & Tourism leaders, WTTC will engage with policy-makers leading the UNFCCC process to ensure that our progressive voice is heard and will influence others in the global business community.

We share with the progressive voices of the international business community a belief that the following key elements should be part of an international agreement on climate change:

1. Climate change poses global social, environmental and economic risks and demands a transformational change in how we manage our global economy.
2. We must deliver deep and rapid cuts in greenhouse gas emissions.
3. Decisive action will stimulate global economic activity.
4. Delaying action will increase the costs of stabilising the climate.
5. A sufficiently ambitious, international, comprehensive and legally binding United Nations agreement will provide business with the certainty and frameworks it needs to scale up global investment in low carbon technologies.
6. The overall targets for emission reduction must be guided by science.
7. Even an immediate peaking in global emissions would require a subsequent reduction of 50-85% by 2050, according to the Intergovernmental Panel on Climate Change.
8. Any credible comprehensive agreement must include mechanisms to reduce tropical deforestation as the continuing destruction of these ecosystems accounts for up to a fifth of annual greenhouse gas emissions.
9. Developed countries need to take on immediate and deep economy-wide emission reduction commitments.
10. Rapidly emerging economies should be looking to adopt commitments by 2020.

⁵ The term 'low climate risk economy' combines the concepts of climate change mitigation and climate change adaptation, the need to reduce greenhouse gases other than carbon (eg methane), and recognises the imperative to address the risks of the current economy into which we are now 'locked'

⁶ The Global Partnership for Sustainable Tourism Criteria (GSTC Partnership) is a coalition of 32 organisations working together to foster increased understanding of sustainable tourism practices and the adoption of universal sustainable tourism principles

⁷ www.tourismpartnership.org

⁸ The recommendation of the Stern Review is a minimum of 50% global CO₂ emissions by 2050 from a baseline of 1990. IPCC estimates that global emissions rose by 30% between 1990 and 2005, therefore on a straight-line projection a 50% reduction on a baseline of 2005 is required by 2035.

THE FOLLOWING WTTC MEMBERS ASPIRE TO THE VISION AND THE COMMITMENTS PRESENTED IN THIS REPORT:





THEME 1

ACCOUNTABILITY AND
RESPONSIBILITY

THEME 2

LOCAL COMMUNITY
SUSTAINABLE GROWTH
AND CAPACITY BUILDING

THEME 3

EDUCATING CUSTOMERS
AND STAKEHOLDERS

THEME 4

GREENING SUPPLY CHAINS

THEME 5

INNOVATION, CAPITAL
INVESTMENT AND
INFRASTRUCTURE

ACCOUNTABILITY AND RESPONSIBILITY

WE BELIEVE THAT BY IMPROVING OUR MANAGEMENT SYSTEMS FOR MEASURING GHG EMISSIONS AND BY SHARING THIS INFORMATION WIDELY WITH OUR CUSTOMERS, WE CAN PROMOTE EFFICIENCY AND DEMONSTRATE LEADERSHIP IN THE GLOBAL EFFORT TO MITIGATE THE IMPACTS OF CLIMATE CHANGE.



ACTION ITEM

We aspire to achieve a target of 50% reduction of CO₂ emissions across the industry by 2035 by learning from others and sharing examples of best practice across our industry that reduce energy use, improve energy efficiency and increase the use of renewable energy. We set ourselves the interim target, in terms of CO₂ emission reduction, of 30% by 2020 with an international agreement on global emission reduction, or 25% by 2020 in the absence of such an agreement.



A major challenge for businesses and consumers today is to gather more data and business intelligence on their carbon footprint. Corporate clients increasingly require data on their direct emissions of carbon dioxide and other greenhouse gases from energy use, manufacturing processes and company-owned vehicles and aircraft, for their environmental impact reports.

Tourists, too, are increasingly interested and want better information about the indirect carbon emissions for which they are responsible. This desire for information is already reshaping the travel policies of companies and the choices companies and consumers make across a broad range of decisions: how they travel; when and where they travel; which airlines, hotels and car rental companies they use; where they hold their meetings and events; and even whether they travel at all.

Cost and convenience will remain key factors in travel decisions but, with carbon taxes and the proliferation of other levies, the environmental impact of travel

will become an important third factor for companies and individuals alike.

The consensus amongst progressive global business leaders, the UN and many developing country governments is that developed countries need to take on immediate and deep economy-wide emission reduction commitments of between 80% and 90% by 2050 – much higher than the global average reduction target. The global Travel & Tourism industry, with both developed and developing country dimensions, intends to set ambitious targets to reduce our GHG emission by mobilising our innovativeness, resources and influence.

We will work together with partners in the industry to align efforts to produce a rigorous but practical, internationally agreed framework of standards to measure progress against GHG emission targets. This will be a transparent mechanism for reporting emissions by sector, with each organisation taking responsibility for measurement and independent verification. It will build on the work of programmes such as the Global Reporting Initiative⁹, and create an industry-wide carbon accountability system. To ensure transparency and that the data benefits both industry and clients, a public interface will be needed to make the data understandable and available to all. We will gather information from WTTC Members using these standards to report on our progress. The actions we will take to achieve these targets will vary between organisations and reflect the local, national and international context.



⁹ Airports, Automotive and Tour Operators (GRI guidelines)

LOCAL COMMUNITY SUSTAINABLE GROWTH AND CAPACITY BUILDING

WE BELIEVE THAT THE COMMUNITIES WITH WHICH WE INTERACT ARE VITAL PARTNERS IN OUR VALUE PROPOSITION. BY INCLUDING THESE COMMUNITIES IN ALL ASPECTS OF OUR CLIMATE CHANGE MITIGATION AND ADAPTATION STRATEGIES, WE CAN TRANSFORM SHAREHOLDER VALUE INTO STAKEHOLDER VALUE.





Through proactive research with communities we can develop a deeper shared understanding of the entire value chain and identify drivers for creating new value for all our stakeholders. This added value benefits business, customers and host communities, enhancing local livelihoods and strengthening, preserving and protecting local environments.

The challenges of climate change require imaginative solutions that draw together multiple perspectives across what are often different sectors. We will develop new collaborative partnerships between national and local governments, the private sector (eg environmental technology firms), NGOs and communities to identify mutual economic, social and environment benefits.

The Travel & Tourism industry has a long tradition of helping host communities through humanitarian aid and philanthropic donations, as well as by providing training to develop new skills to enhance local livelihoods. Often the most effective support we can provide is to adapt our core business activities by

extending employment opportunities and offering upstream and downstream supply chain opportunities to local communities.

Specific regions and tourism destinations are particularly vulnerable to the effects of climate change. These are known as ‘hotspots’¹⁰. These hotspots often include vulnerable communities that are directly affected by environmental changes related to climate change, and are often dependent on tourism. The ability of communities to adapt to climate change is determined by their level of development, their access to resources and their scientific and technical capacity¹¹.

ACTION ITEM 3

We will identify climate change hotspots where we operate and develop practical strategies to help local communities increase their adaptive capacity to cope with the impacts of climate change. We will also set an example of low carbon business and help local communities access information on new technologies to reduce their own GHG emissions. When considering the provision of support for social action projects, we will endeavour to integrate climate change mitigation and adaptation measures into our development strategies.

The continuing destruction of tropical rainforests and their ecosystems accounts for up to a fifth of annual global greenhouse gas emissions. Stopping deforestation represents an immediate and cost-effective means of combating climate change. As well as contributing significantly to the attraction of a tourism destination, they host wildlife and a wide range of biodiversity, protect water sources and provide livelihoods for many local communities.

ACTION ITEM 4

We will support the effort to develop a funding mechanism to reduce emissions from deforestation and forest degradation in developing countries through initiatives such as REDD¹². As an industry we will work with the Prince of Wales Rainforest Project¹³ and others to reduce tropical deforestation by supporting the sustainable livelihoods of forest communities and by protecting their ecosystems.

¹⁰ Identifying climate change ‘hotspots’, United Nations Environment Programme (UNEP) and Google Earth, 2006

¹¹ www.eldis.org/go/topics/dossiers/climate-adaptation-and-vulnerability/introduction-to-adaptation

¹² The United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme) is a collaboration between FAO, UNDP and UNEP

¹³ www.princesrainforestsproject.org/

EDUCATING CUSTOMERS AND STAKEHOLDERS

WE BELIEVE THAT MILLIONS OF CUSTOMERS AND STAKEHOLDERS, WHO ARE FULLY INFORMED OF THE IMPACT OF CLIMATE CHANGE AND SUPPORT OUR MEASURES TO ADDRESS THE CHALLENGES, ARE A POWERFUL FORCE FOR GOOD. BY INVESTING IN RAISING AWARENESS AND UNDERSTANDING, WE WILL ALSO HARNESS THE VOICES OF THE NEXT GENERATION, CREATE DYNAMIC PARTNERSHIPS AND DEVELOP NEW BUSINESS OPPORTUNITIES.





Through a process of shared learning and understanding our products and services can redefine the values of well-being and promote a natural shift towards sustainability. By developing new communication strategies beyond the CSR agenda, the industry will draw an increasing number of customers and stakeholders into active partnerships to shape new inclusive environmental strategies. As a matter of urgency the industry needs to develop confidence in conveying the complexity and challenges of addressing climate change, as well as reinforcing its achievements by celebrating success.

Our companies are aware of how powerful the internet can be in engaging with customers, many of whom are increasingly making informed choices about how they travel, which destinations they visit, and what kind of experience they are seeking.

Sustainable Travel & Tourism has progressed from what used to be a niche product to what is fast becoming a mainstream business. Those companies that invest in strategies to raise sustainability awareness while, at the same time, responding to demands from their customers, will create considerable value by promoting virtuous circles. Supporting low carbon holiday options and carbon labelling is important, as is the development of new low carbon products¹⁴.

An increasing number of businesses believe it is their responsibility to influence the choices clients make, rather than simply responding to a perceived market demand. Customers respect companies that make the effort to explain why they have taken sustainability choices. Recent studies¹⁵ have shown that repeat customers are more interested in sustainability and responsibility, and these loyal customers and repeat bookings create additional business opportunities. Customers increasingly expect an affordable and sustainable product for their money.

Many businesses now convey their commitment to sustainability through the use of customer sustainability charters which encourage the involvement of customers. While it can be difficult for a business to persuade its suppliers that customers are increasingly committed to sustainability, customer sustainability charters provide a useful tool for encouraging customers to audit and challenge business and its suppliers, resulting in raised standards.



We will ensure customers are encouraged to play a significant role in reducing their use of energy, and will lead by example with our sustainable business practices.



We will devote resources to explaining our climate change strategies to stakeholders and share our experience of exploring new low carbon technologies and sustainable approaches that mitigate GHG emissions.

¹⁴ UNEP Climate Change Adaptation and Mitigation in the Tourism Sector: Frameworks, Tools and Practices 2008

¹⁵ Federation of Tour Operators' customer survey, 2008

GREENING SUPPLY CHAINS

WE BELIEVE THAT RESPONSIBILITY DOES NOT END WITH AN INDIVIDUAL COMPANY'S BOUNDARIES AND WE CAN EMBRACE THE ENTIRE SUPPLY CHAIN, BOTH UPSTREAM AND DOWNSTREAM, TO ACHIEVE OUR GHG EMISSION TARGETS. SUPPLY CHAIN MANAGEMENT IS FUNDAMENTAL TO A COMPANY'S OVERALL PHILOSOPHY AND POLICY REGARDING SUSTAINABILITY AND MUST UNDERPIN RESPONSIBLE BUSINESS OBJECTIVES.

Over 80% of global Travel & Tourism activity is accounted for by small to medium-sized enterprises (SMEs), many in developing countries, which often have limited access to knowledge, resources and methods of mitigating GHG and energy efficiency.





If the Travel & Tourism industry is to monitor and report on its efforts to mitigate its impact on climate change, it will require investment in developing new practical tools for the many thousands of SMEs that make up individual business enterprise. Imposing burdensome data gathering and reporting on these companies will be counterproductive. There must be sufficient incentives for them to participate and add value to the overall product. Building the local capacity through supply chains is also important. This will include initiatives led by expert groups on reducing energy use, local sourcing of food linked with better soil & water management techniques, and improved waste management.

Practical tool kits are available to help SMEs and larger enterprises measure, monitor and reduce energy use. These have been developed by Business in the Community (BitC)¹⁶, the International Tourism Partnership (ITP) and others.

Management of a supply chain to address wider socio-economic issues, such as poverty and exclusion and environmental management, will embed climate change mitigation. As an example, sourcing more products and services locally to encourage local businesses provides 'authenticity' and cuts down

on transport energy. Sourcing products with less environmental impact in their manufacture, use and disposal, as well as sourcing products in bulk with reduced packaging, will also have a positive impact on a company's carbon consumption and GHG emissions.

Good performance and a high quality, sustainable product can also help a tour operator reduce the risk of conflict or problems with governments, staff and local communities, and improve its status as a respected partner in destinations. This may mean enhanced access to key business resources such as capital, the ability to develop products to meet growing market demand, improved relationships with governments, and a motivated and loyal staff¹⁷.

There is now a bewildering array of national and international environmental standards and certification schemes covering areas such as:

- Supplier self-declaration
- Spot checks by reporting organisations
- Environmental and social audits
- Certification schemes (including eco-labels)
- Third-party verification.



To achieve our emission targets we will develop a range of practical tools that can be used by SMEs to measure and share their CO₂ emission levels. We will also harmonise current approaches across the industry to create a global framework of standards for sustainable management.



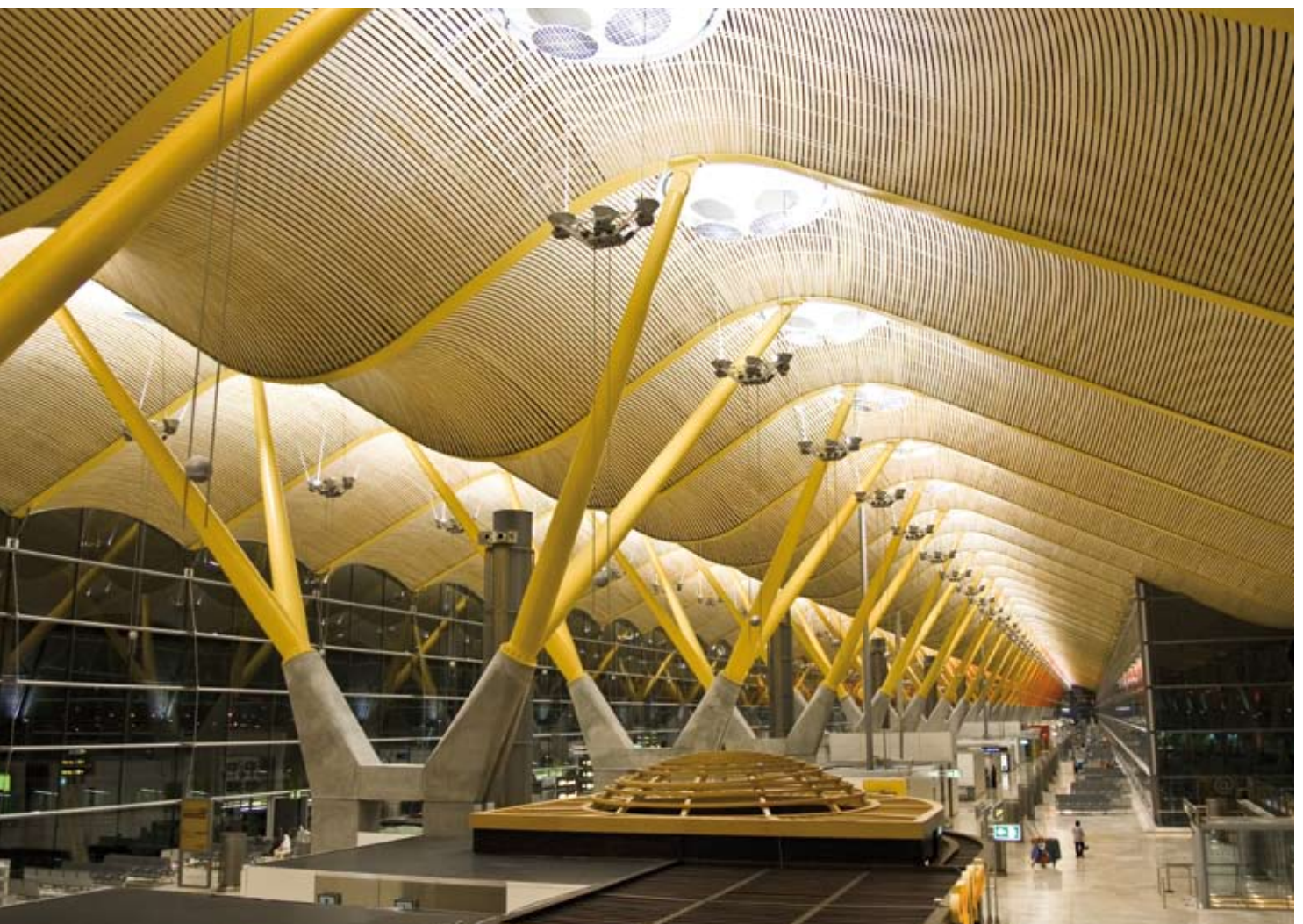
¹⁶ BitC is one of the Prince of Wales Charities (www.bitc.org.uk)

¹⁷ www.toinitiative.org/index

INNOVATION, CAPITAL INVESTMENT AND INFRASTRUCTURE

“We cannot solve problems using the same kind of thinking we used when we created them” – Albert Einstein

WE BELIEVE THAT INCREMENTAL CHANGE WILL NOT BE SUFFICIENT TO RESPOND TO THE ENORMOUS CHALLENGE OF CLIMATE CHANGE AND THAT WE NEED A TRANSFORMATIONAL CHANGE OF THINKING. WE ARE CONFIDENT IN THE HUMAN CAPACITY TO RESPOND TO THESE CHALLENGES BY EMBEDDING TECHNICAL, PROCESS AND PARTNERSHIP INNOVATION IN ALL OUR NEW BUSINESS MODELS.





We believe that private and public capital must be deployed to finance the transformational change necessary for the Travel & Tourism industry to manage the risk of climate change. At a time when the global economic downturn may cause some to question whether now is the time to act, we believe that investment in the actions outlined in this report will stimulate global economic activity and create many exciting business opportunities across our industry.

A recent report from the World Tourism Organization¹⁸ estimates that over a third of CO₂ mitigation potential over the next 20 years can be realised through technical efficiency. Much of this impact will come from technical innovation and the industry therefore needs to identify the business incentives to promote and capture this innovation.

The industry will invest in new technologies and processes and encourage governments to support these innovations by implementing frameworks that will ensure uptake, as well as delivering on efficiency measures. As an example, the aviation industry will invest in engine and aircraft design and collaborate with national and regional governments to implement efficiency measures in air traffic control.

Infrastructure emerges as one of the key factors in the aviation industry's success in achieving fuel and emission reduction goals and meeting increased passenger volume. Much of the potential fuel savings that improves the efficiency of aircraft comes in the

form of more efficient engines and design. But a great deal of this efficiency relies on the carrier's ability to fly the most efficient route, as well as being able to minimise delays and time spent on the runway and in the air waiting to land.

According to the Intergovernmental Panel on Climate Change (IPCC), addressing airspace and airport inefficiencies, governments and infrastructure providers can eliminate up to 12% of CO₂ emissions from aviation. Approximations from the International Air Transport Association (IATA) indicate that the savings could be even greater, suggesting that the industry could save 35 million tons of CO₂ emissions a year if obstacles were removed.

As the focus on emissions, fuel consumption and improvements to air traffic control continues to gain attention, the aviation industry has a greater opportunity than ever before to work together with suppliers, governments and customers to find solutions to reduce its CO₂ emissions.

We endorse and support the latest progressive CO₂ emission reduction commitments from our Members in the aviation sector and will encourage all airlines to commit to achieving at least 50% emission reductions by 2050¹⁹ through a range of measures including:

- Maintaining a fleet with up-to-date technology
- Achieving an average load factor of over 80%
- Removing excess amounts of water and catering, reducing operating weight
- Choosing more efficient flight paths
- Carrying the maximum certified number of passengers, and charging higher prices to first-class passengers using more space
- Supporting the inclusion of aviation in the EU Emission Trading Scheme (ETS) as an important step towards a global emission trading scheme
- Seeking to adjust bonus programmes to reinforce incentives for sustainable travel
- Extending our economic scope and becoming financially involved in land-based transport systems.



¹⁸ UNWTO Climate Change and Tourism – Responding to Global Challenges, September 2008

¹⁹ British Airways' current commitment is to reduce total CO₂ emissions by 50% of 2005 levels by 2050. This is their contribution to the overall WTTTC aspirational target of 50% by 2035



In the wider transport sector we must be ready to grasp a host of new business opportunities that are already emerging through modal change and other low carbon customer choices.

We need to look towards promoting the use of low emission cars, renewed infrastructure to encourage rail and bus travel and, in the case of railways, develop their strategic advantages over other means of transport. Tour operators will enhance their brand value by rethinking the choice of holiday destinations they offer.

Hospitality is a large sector with many opportunities to reduce emissions, eg develop environmental management systems, reduce energy use through new technology such as power-saving devices, use renewable energy only, reduce the use of materials, recycle and be aware of their supply chains. These strategies are already providing immediate benefits given the rising energy prices around the world in 2008.

Certification programmes such as BREEAM²⁰ and LEED²¹ for new and existing buildings can currently be used as a guideline for reducing the overall GHG emissions of buildings. These types of certification and energy-tracking systems, such as the US EPA Energy Star Program,²² help the hospitality industry to reduce its footprint and improve building operations and profitability. The following outlines some of the measures that the hospitality and lodging industry can use to reduce its GHG emissions:

- Develop a sustainability system to track and reduce energy, water and waste consumption
- Use new technologies to reduce energy usage such as LED lighting, thermal, wind and solar heating, etc
- Reduce water consumption by using new and existing innovative technologies such as ozone laundry systems, low-flow fixtures, and grey water management
- Use recycled furniture fixtures and equipment materials
- Use local food and beverages and sourced products.

We will adopt environmental management systems to continually measure our energy use and GHG emissions. We will work with our staff and customers to share and communicate our best sustainability practices and our progress towards meeting energy and emission reduction targets with all stakeholders.

**ACTION
ITEM**

Although there is a range of low-cost measures that can have an immediate impact on GHG emissions, many of the new sustainable business models that need to be developed will require significant investment to realise their long-term potential. Many new environmental products are largely still pre-commercial and often the main benefit is to the community at large rather than the individual customer. Significant upfront capital investment is required to adapt business models and scale up production of new technology in order to bring costs down.

Understanding how private and public capital is deployed and the decisions that are associated with investments is vital. As an example, it is not sufficient for a particular technology to appear to be profitable over the long term, but it must also overcome the hurdle rate – the accept/reject threshold for determining if an investment will be made by a particular company usually derived from typical risk/return profiles for the existing products and services.

In order to promote the movement of capital and investment in sustainability, it will require regulatory certainty and consistency between markets. This regulatory framework should be simple, market based and not just pick winners. The current creation of value is through debt and interest repayment. This is based on infinite limits, and environmental externalities are not included in any decision-making process. To help with investment decisions, mandatory disclosure of climate risk should be phased in to ensure climate value is embedded in long-term company value.



ACTION ITEM

Many other industries have effectively demonstrated their ability to fundraise and collect large pools of capital to invest in sustainable enterprise. We will draw lessons from these enterprises to target the investment community and encourage the creation of similar financial instruments closely linked to sustainable projects in the Travel & Tourism industry.

A priority must be given to the investments the industry makes in fixed assets, particularly over the 20-40-year horizons contemplated in the target setting. The importance of those investment decisions – in the hotel industry, for example, the choices made about building design and fabrication, and indeed the locations of hotels relative to other infrastructure and the wider built environment – will over their lifecycle massively eclipse the environmental impact of any operational choices around laundry, food supply, heating, etc in the same assets. This is most important in the high-growth markets where these assets have yet to be built, and the same is true in terms of infrastructure in the airline and shipping sectors. We need to apply more creative thinking and apply more pressure on governments to create the right tax incentives and legislative obligations to drive the right investment outcomes.

Energy efficiency certification can also be used to embed long-term ‘carbon’ value into a product or building. For example, energy efficiency certification, coupled with a forward look at increasing mandatory efficiency standards, can provide some property value accrual for capital expenditure on efficiency, as well as making it more likely that building owners will invest in these measures to ensure the value of their property remains high. To help with investment decisions, disclosure of climate risk should be phased in on a voluntary basis by the sector to ensure climate value is embedded in long-term company value, followed by energy efficiency certification as appropriate.

The current global economic downturn offers a unique opportunity to mobilise public sector investment in ‘climate proofing’ a future global economy. Prominent leaders, including President Obama, have proposed that public funding should be used to create millions of jobs in ‘green’ infrastructure, renewable energy and other sustainable technologies. This could create exciting public-private partnerships in Travel & Tourism while driving a global economic recovery.



²⁰ BRE Environmental Assessment Method (BREEAM) was developed in the UK and is now widely used in Europe and worldwide

²¹ Used by the US Green Building Council – Leadership in Energy and Environmental Design (LEED) Green Building Rating System (www.usgbc.org/leed/)

²² www.energystar.gov/

THE WAY AHEAD: PARTNERSHIPS TO IMPLEMENT OUR COMMITMENT

WE BELIEVE THAT IT IS ONLY BY BUILDING ON EXISTING PARTNERSHIPS AND BY FORGING NEW FORMS OF COLLABORATION THAT WE CAN ACCOMPLISH THE TEN KEY ACTIONS IN THIS REPORT AND ACHIEVE OUR AMBITIOUS GOALS.

WTTC will use this report to engage with governments, policy-makers and influential leaders to ensure that the UNFCCC process creates a robust, ambitious and fair global treaty on climate change. Such a treaty is important if the Travel & Tourism industry is to achieve the commitments outlined in this report.

WTTC will also work with members and other partners to develop an implementation and communication strategy, which will harness the energy of the diverse global Travel & Tourism industry and encourage wider commitment beyond WTTC Member organisations. The report will form an important part of our annual Global Travel & Tourism Summit in Brazil in May 2009, and

this year's theme is 'Real Partnerships – Energising Economies'. WTTC Members will determine how we can align our efforts through a global coalition on climate change.

The ten action points will form the framework for a range of Climate Change Action Partnerships. These partnerships will build on the many existing different forms of collaboration within the industry so as to promote global standards, complementary approaches and avoid duplication of effort. To strengthen these partnerships WTTC will provide a web-based information portal that will:

1. Share reports from and between each Climate Change Action Partnership
2. Share the latest commitments and targets from progressive organisations in the industry
3. Highlight the latest examples of business case studies and best practice in climate change mitigation and adaptation
4. Track ongoing progress with regard to these specific actions and commitments through a dedicated portal via our website, as well as providing summary reports on a regular basis through communications via the media.





WTTC'S COMMITMENT

- An increasing number of carbon accounting systems are currently being developed within the industry, many of which are not compatible or comparable. WTTC will work with other bodies to standardise carbon calculation for each major sector, eg aviation, hotels. This will reduce the risk of alienating progressive consumers or business travellers.
- WTTC will identify 'hotspots' in tourism destinations that are particularly vulnerable to the effects of climate change, and spotlight best practice across multiple diverse locations through its Tourism for Tomorrow annual awards. This could help develop a more integrated approach to adaptation and promote global linkages between different regions with different adaptation capacities.
- WTTC will gather information from Members who interface with local communities and have developed strategies for responding to local humanitarian crises. This information will be shared and collated by WTTC to help the industry present a co-ordinated response to the increasing number of catastrophic climate change events occurring in tourism destinations.
- WTTC will engage with policy-makers to encourage a global approach of comparable regulation and incentives across each sector of the industry during the UNFCCC process leading to Copenhagen in December 2009. We will ensure that we share and champion new ideas and promote inter- and cross-sector learning.
- WTTC will promote partnerships across the industry to avoid duplication of sustainability guidelines and standards, and will convene meetings between these organisations to produce global industry standards.
- While the commercial rewards will be gained by the individual companies which provide the incentives to promote and develop innovation, WTTC will highlight success to a wider audience through, for example, a 'Climate Change Mitigation Innovation' category in our annual awards. We will also support and co-ordinate research and development in partnership with academic institutions that have an international reputation and specialise in sustainability, in order to stimulate innovation development and transfer across the industry.
- WTTC will facilitate financial funding options between Members and other sectors of the global economy. The current economic crisis creates risks and opportunities. The number of organisations with discretion to take investment decisions based on long-term rather than short-term returns has significantly reduced. However, the current economic downturn has created a pause in the pace of development, as well as a shift in thinking about the kind of future we wish to build, and there is now the potential to create space for more sustainable approaches to take hold. This is a time of unique private- and public-sector investment opportunities to redefine values of well-being for millions of people across the world through their experience of sustainable Travel & Tourism.

SUMMARY OF THE ACTION AGENDA



ACTION ITEM 1

Aspire to reduce CO₂ emissions by 50% by 2035 (with an interim target of CO₂ emission reduction of 30% by 2020 if there is an international agreement on global emission reduction, or 25% by 2020 in the absence of such an agreement).

ACTION ITEM 2

Align efforts to produce an internationally agreed framework of standards to measure progress against GHG emission targets.

ACTION ITEM 3

Identify climate change hotspots where we operate, develop practical strategies and set an example of low carbon business, helping local communities access information on new technologies to reduce their own emissions.

ACTION ITEM 4

Support efforts to reduce emissions from deforestation and forest degradation together with partners, including the Prince of Wales Rainforest Project.

ACTION ITEM 5

Promote incentives to encourage customers to play a significant part in reducing the use of energy and lead by example with our sustainable business practice.

ACTION ITEM 6

Devote resources to explaining our climate change strategies and share our experience of exploring new low carbon technologies and sustainable approaches that mitigate GHG emissions.

ACTION ITEM 7

Develop a range of practical tools that can be used by SMEs to measure and share their CO₂ emission levels.

ACTION ITEM 8

Endorse and support the latest progressive CO₂ emission reduction commitments from our Members in the aviation sector, and encourage all airlines to commit to achieving at least 50% emission reduction by 2050 through a range of measures.

ACTION ITEM 9

Adopt environmental management systems to continually measure our energy use and GHG emissions, design an e-platform of best sustainability practices per segment (eg energy, water, solar, waste, etc) that engage with our staff and customers, and share our progress towards meeting annual energy and emission reduction targets with all stakeholders.

ACTION ITEM 10

Target the investment community and encourage the creation of financial instruments closely linked to sustainable projects in the Travel & Tourism industry.

CASE STUDIES

THE FOLLOWING CASE STUDIES HIGHLIGHT EXAMPLES OF BEST PRACTICE SHOWCASING PRACTICAL TOOLS, ACCORDING TO EACH SUSTAINABILITY THEME.

Further case studies are available at WTTC's website (www.wttc.org).

THEME I

ACCOUNTABILITY AND RESPONSIBILITY

Sabre Holdings – GetThere Green



Sabre Holdings has developed GetThere(R), one of the world's leading online corporate travel procurement solutions, which is designed to allow companies to integrate sustainable travel policies into their business travel programmes. After GetThere Green's introduction in late 2007, multiple corporations and travel management companies in Asia Pacific, Europe and North America adopted elements of this new product during 2008.

GetThere Green enables companies to integrate their carbon emission data and supplier green status, as well as deliver relevant messaging at the point of sale to educate travellers about the carbon footprint of their journey and affect choices they make in the booking process.

GetThere users on any GDS are able to take advantage of three key components:

- Integration of Carbon Data – Corporations can embed messaging related to their carbon calculator of choice into the booking process, building awareness among travellers of their travel-related emissions. Companies can consult with GetThere on the algorithms behind the various carbon calculators, and then select the calculator of their choice. By giving companies the option to choose, they can implement a technology that best fits their sustainability policy and employee base.
- Supplier Designation – Air, automobile, hotel and rail suppliers with designations such as a 'Green Partner' can be highlighted during customer browsing.
- Dynamic Messaging – Recent technology provides messaging opportunities at key junctures in the purchasing process. Companies can use messaging to share anticipated emissions between city pairs, or merely to point out which suppliers and/or properties in a given destination are sustainable.

Travelport – Advanced 'Carbon Tracker' Emissions Reporting Tool



Jeff Clarke, President and CEO of Travelport, said: "At the core of all 'carbon-minded' initiatives is the measurement of carbon emissions, yet carbon measurement itself is a relatively new and emerging science. Research is still needed to improve on the accuracy of data gathering, calculation and reporting solutions. As an active member of the travel industry, we are cognisant of the critical environmental issues we all face and are committed to finding the best possible solutions.

"Our aims in launching this tool are to give the industry access to the latest and most improved ways of measuring emissions for business intelligence; to encourage debate and collaboration in terms of emission benchmarking; and to enable corporations to make informed decisions for sustainable travel as part of their overall travel policies."

The Travelport Carbon Tracker launched in April 2008 uses a graphical interface and task-orientated approach that enables users to rapidly calculate and compare accurate CO₂ analyses for each itinerary and obtain information on carbon emissions across multiple travel types (air, rail and car). It has built-in report-generation capabilities and can merge information from back-office systems. The Travelport Carbon Tracker is also designed to provide neutral and unbiased carbon emission measurements across multiple GDSs.

The Travelport Carbon Tracker provides corporations with a more accurate measurement of emissions and is a vital step towards a better understanding of how to manage carbon footprints more effectively. It reinforces Travelport's active role in sustainable travel initiatives that address environmental issues on a global scale.

THEME 2

LOCAL COMMUNITY SUSTAINABLE GROWTH AND CAPACITY BUILDING

Marriott – Juma Sustainable Development Reserve, Amazonas



In April 2008, as part of its strategy to reduce emissions, Marriott International signed an agreement with the Brazilian state of Amazonas committing US\$2 million to protect and preserve 1.4 million acres of endangered rainforest in the Amazon – an area called the Juma Sustainable Development Reserve. Guests are able to contribute to the Juma fund to voluntarily offset the calculated emissions from their individual hotel stay. A cornerstone of Marriott's environmental strategy, rainforest preservation is one of the ways in which Marriott is engaging its guests and employees in protecting the environment.

The Juma Reserve is the first REDD (reduced emissions from deforestation and degradation) initiative validated to the Climate, Community, and Biodiversity Standards (CCBS) in Brazil. These standards offer a carbon-offset mechanism while protecting biodiversity and supporting the local community. The project provides education, medical care, employment and a 'Bolsa Floresta' stipend for the 2,000 Juma residents who will be trained and remunerated to protect the rainforest.

TUI AG – ROBINSON Club Amadé, Austria



With regard to climate protection and the preservation of natural resources, ROBINSON Club Amadé gets its energy from a CO₂-neutral biomass power station with state-of-the-art technology. In co-operation with local farmers in Salzburgerland and companies Nahwärme GmbH and AESG, a local operating company has been established. Once feasibility studies were carried out to define the size of the installation needed, the design of the power station was initiated in 2004.

The project involved a continuous stakeholder dialogue involving the local population. Up to 100% of ROBINSON Club Amadé's requirements for heat and hot water are supplied by this modern plant. Moreover, large parts of the surrounding village are also supplied by the power plant, which makes annual savings of around 800,000 litres of heating oil possible.

THEME 3

EDUCATING CUSTOMERS AND STAKEHOLDERS

Accor – Earth Guest



In 2006 Accor set up a programme called 'Earth Guest', with the aim of federating all the environmental and social actions initiated in the 1990s. Today, this programme is structured around eight priorities – one of which being energy management.

2010 goals:

- Reduce energy consumption by 10% per occupied room against 2006 levels
- Install low-energy light bulbs in all owned hotels
- Equip 200 hotels with solar panels
- Have 20% of the hotels environmentally certified.

Achievements:

- Energy consumption per occupied room has been cut by 4.5% in two years
- 75% of owned hotels are equipped with low-energy bulbs
- 64 hotels are already using solar energy
- 296 hotels are ISO14001- or Green Globe – certified (7.5% of Accor's network)
- 3,486 hotels have implemented the Accor Environmental Charter, which includes 17 actions on energy.

THEME 4

GREENING SUPPLY CHAINS

Hilton – We Care



Through its 'We Care' programme, Hilton International has established a clear environmental policy which involves all team members. It focuses on four key environmental issues: energy efficiency, waste reduction, water efficiency and chemicals. It also sets targets and measures performance, actively encouraging suppliers to improve their environmental responsibility, sharing examples of best practice, and supporting environmental initiatives in local communities (www.hiltonwecare.com).

The programme was launched on 1 January 2006 with a 'Greenbox' sent to all hotels containing:

- Instructions on how to create an environmental workshop;
- A presentation explaining the four focus areas;
- Collateral to use during the workshops;
- Materials to be used in guest rooms; and
- An introductory video interview with Wolfgang Neumann.

The five pillars of the 'We Care' programme are:

- Environmental policy;
- International Tourism Partnership (ITP) Guidelines for Sustainable Siting, Design & Construction;
- Eco-learning;
- Hilton Environmental Reporting (HER); and
- HiWay (intranet) as a communication tool.

Targets:

- 20% reduction in CO₂ emissions over five years; and
- 10% reduction in water over five years.

Achievements:

- Has already reduced CO₂ by 10% per guest per night in two years;
- Has provided Greenbox training e-material on sustainability for 16,000 staff;
- Has attracted the engagement of customers; and
- Receives HER weekly reports from all hotels.

Travelife – Sustainability System (its4travel.com)



Tour operators often influence the choices of consumers, the practices of suppliers and development within destinations. Through their unique position they can make an important contribution to promote sustainable development and protect environmental and cultural resources.

Travelife is an initiative created by tour operators and part-funded by the European Union. It has been set up to support an efficient and cost-effective introduction of sustainability principles. It recognises the value of collaboration in successfully implementing actions for sustainability, and brings together existing initiatives and experiences.

Travelife delivers industry-wide standards for sustainability management systems and provides best practice guidance and support for the companies implementing them through the provision of training, tools and references.

Tourism businesses that elect to be independently measured against the Travelife criteria are classified according to their sustainability performance. The top performers in this classification system are rewarded with a Travelife mark or logo – Bronze, Silver or Gold, according to the level of their performance.

THEME 5

INNOVATION, CAPITAL INVESTMENT AND INFRASTRUCTURE

American Express – Energy Conservation



American Express, within its corporate environmental responsibility policy, has indicated that energy conservation is a vital aspect of the company becoming more environmentally conscious.

It reduced the amount of electricity used in its offices in the USA by approximately 4,000,000 kilowatt hours (kWh) in 2006 with programmes including:

- Improvements in lighting systems' scheduling;
- Shortened hours of service of escalators;
- Modifications to fan pressure controls at its corporate headquarters;
- Daylight harvesting in the outdoor parking garage; and
- Improvements to air-chiller and air-conditioning temperature controls at one of its locations.

Energy-efficient building design/operations

At American Express there are a number of energy-efficient programmes in place for new and existing facilities. Its Service Center building in North Carolina was conceptualised more than 20 years ago with a south-facing slope and glass curtain wall construction for maximum solar benefits. The building is shaded by trees in summer and has no central heating system, which reportedly saves thousands of dollars annually on heating and cooling costs. Inside the building, digital control valves on the air handlers, more efficient primary and secondary chilled water pumps and other devices contribute additional energy savings.

In Sydney, Australia, American Express constructed a new building for occupancy in 2008 designed to achieve a high Australian Building Greenhouse Rating (ABGR). The building features a number of energy/resource efficiency elements, including:

- Water-saving devices including rain tanks and water-saving faucets;
- Lighting and air conditioning that operate on base hours of 07:00–19:00, with all non-essential lights switched off during evenings and weekends;
- On-demand air conditioning for large meeting rooms so that users have the option of turning the system on as needed.

British Airways – Carbon Commitment



British Airways has committed to improve its carbon efficiency by 25% by 2025 and by 50% by 2050 over 2005 levels. It also plans to reduce CO₂ per passenger kilometre from 111 grams to 83 grams – not only in its aircraft operations but also in its ground operations. With this target in mind, the airline has implemented several programmes that are geared towards achieving the reductions. It has:

- Developed energy performance reporting across the business to highlight opportunity areas, supported by a metering programme to measure success;
- Introduced energy user groups across each area of the business to engage and exchange ideas with staff;
- Undertaken a rolling programme of asset renewal on its oldest heating and cooling equipment, replacing it with energy-efficient products;
- Implemented a programme of control optimisation to ensure that buildings meet their changing needs in an efficient manner;
- Refined departure and landing procedures to make flights more fuel efficient – this includes techniques such as taxiing with engines shut down and using ground-sourced power and ground-based air conditioning instead of the aircraft on-board Auxiliary Power Units (APUs);
- Saved 50,000 tonnes of CO₂ over the last two years by flying shorter, more direct international routes including those to Kazakhstan, China and Brazil; and
- Is lobbying for air traffic control to be simplified so that aircraft are in the air for less time.

Continental Airlines – Eco Skies



Continental Airlines reportedly conducted the first biofuel-powered demonstration flight of a US commercial airliner in early January 2009. The demonstration flight was powered by a special fuel blend including components derived from algae and jatropha plants which are sustainable – second-generation fuel sources that do not have an impact on food crops or water resources and do not contribute to deforestation.

Continental has also achieved a 35% reduction in greenhouse gas emissions and fuel consumption per revenue passenger mile flown, due in large part to substantial investments during the past ten years to

acquire 270 fuel-efficient aircraft and related equipment, and has stated its commitment to increase its investment significantly by 2015.

One such investment that Continental has implemented is that all of its aircraft are twin-engined, which burn less fuel and emit less carbon dioxide (CO₂) than comparable three- and four-engined aircraft. Additionally, it installed advanced-technology GE90 3D Aero Blades which it believes is a more efficient fan blade on its Boeing 777 engines, reducing emissions and fuel consumption on its longest-range aircraft.

The company has also pledged, with national and international governments, to improve air traffic control systems so that aircraft routings will result in fewer emissions. Continental is also using electric rather than fossil fuel-powered ground equipment wherever feasible. This procedure has been in place since 2002 at its Houston hub, and the company as a result noted a reduction in carbon emissions from ground equipment of approximately 75% at the end of 2007. Testing on this procedure in cold weather is currently underway at its New York/Newark hub. And Continental is testing the use of alternative fuel and fuel additives for ground service equipment.

One of the objectives of Continental's sustainable programme is to construct its airport facilities according to the US Green Building Council Leadership in Energy and Environmental Design (LEED) and Environmental Protection Agency Energy Star standards when feasible. As part of LEED, Continental integrates high-efficiency components into facilities and implements programmes to conserve energy, save natural resources, reduce emissions and minimise its impact on the environment.

Emirates Airline – Flex Tracks Programme



Emirates Airline has saved almost 10 million litres of jet fuel and 772 hours of flight time in the five years since working with AirServices Australia (ASA) to pioneer an innovative flight route planning and airspace management programme called Flex Tracks.

The Flex Tracks programme, which involves the use of sophisticated ground and cockpit technology to track live weather to chase tailwinds and favourable conditions, was developed by ASA and Emirates in December 2003.

Following the fifth anniversary of Flex Tracks, Emirates has now fully analysed the results over this period and can reveal that the partnership to cut fuel burn, flight time and emissions has delivered aggregated fuel savings of 9.6 million litres (equivalent to approximately 351 tanker trucks) and cut flight times by 772 hours and 21 minutes.

The fuel burn reductions achieved by Emirates have also resulted in substantial cuts to emissions, with a total reduction of 26,644 tonnes of Carbon Dioxide (CO₂) and 163 tonnes of Nitrogen Oxide (NO_x).

Since its launch in 2003, Emirates has progressively expanded the operation of Flex Tracks to all its Australian and Trans-Tasman services, and it is now a major pillar of the airline's efforts to drive eco-efficiencies throughout its global network.

Emirates has made a multi-billion dollar investment into new state-of-the-art aircraft, and Flex Tracks helps stretch the environmental performance of the company and unlock the full potential of these new aircraft. By saving 9.6 million litres of fuel through these practices the company has reduced its contribution to CO₂ emissions.

Flex Tracks allow pilots and Emirates flight operations to exploit prevailing weather conditions and maximise tailwinds. The Flex Tracks programme is particularly significant for ultra long-haul flights where weather reports of upper-level winds are regularly updated inflight, allowing significant fuel burn and time savings to take place.

The broader industry is now starting to experience the benefits of Flex Tracks with many airlines now participating in the programme, as well as other jurisdictions adopting the technology.

Scandic Hotels – Sustainability Indicator Reporting (SIR)

Scandic

In 1996, Scandic Hotels began to log electricity consumption, water usage, unsorted waste and volume of laundry through a system of reporting which it called Sustainability Indicator Reporting (SIR). Every month the hotels report their consumption of resources such as water usage, electricity consumption, laundry quantities and unsorted waste to SIR. Each hotel can then compare these figures with its previously recorded figures and track its performance against other hotels in the chain.

In 2007, this system was expanded to include the key figure of fossil carbon dioxide per guest per night to report on how each form of energy used by each hotel was produced (wind, hydro power, oil, coal or other). Within this same year, the hotel chain set a goal to halve fossil carbon emission kilograms per guest night by 2011 from 1996 levels and reach zero carbon emissions by 2025. The emissions reduced by 30% from 1996 to 2006 and a further 10% between 2006 and 2007 (www.scandichotels.com/betterworld/report).

Six Senses – Soneva Fushi



This resort located in the Maldives has been dubbed the group's flagship resort as it is designed to encompass all of the company's sustainable practices. One of the key aspects of this is the environmental benchmarking that is used to compare on a monthly basis energy, water, paper and chemical consumption rates. This allows the resort to monitor resource use and waste levels, the general environmental impact and progress towards the targets that were set for environmental improvement. The resort has positioned itself to become carbon neutral by 2009 and a carbon free resort by 2010. The resort, along with its counterparts within the chain, has set the goal of 'Decarbonising by 2020'. If achieved, this would mean that each property would not emit any significant amount of CO₂ in its operations and would use only renewable energy, which it would share with the surrounding communities providing a zero carbon emission source of power.

In 2005, the company employed a British environmental engineering and design consultancy to pinpoint ways of reducing the resort's carbon emissions. From this several initiatives were born and the resort has now set targets and taken steps aimed at reducing its contribution to the greenhouse gas emissions level. These include the usage of timber from sustainable managed and certified sources, making maximum use of natural ventilation, cooling and light, procuring local materials, installing energy-saving bulbs, encouraging the use of bicycles and battery-operated vehicles, and reducing food miles by growing its own local organic produce.

One of the resort's significant initiatives – a Deep Sea Water (DSWC) chilled water-cooling system with a centralised network servicing the entire resort – is scheduled for completion by the end of February 2009. This system is expected to reduce the total energy load of the property by 30%. In addition, by establishing a heat recovery system via a pump and running power diesel generator plant system within the centralised resort network, the resort should achieve a reduction of 100kw per hour of energy use. In addition, the resort is installing a Compressed Solar Power Plant (CSP), which is a solar parabolic system that allows the solar rays to be used for heating enclosed water and this, in turn, runs the low-density turbine for power production. This system has other benefits such as hot water production, air-conditioning through an absorption chiller plant, laundry uses and water production through the condensation effect. It will also allow the resort to shut down its power generators in the daytime and have an additional two hours of thermal heat storage capacity before having to switch back to its conventional system. Of this energy, 100kw will be provided to the neighbouring island of Eyadafushi.

Six Senses has stated that the resort was designed and built with care to minimise the impact on the island and the reef. Buildings were designed

and constructed to blend into the natural façade of the island and were located and designed to minimise the damage to surrounding vegetation while securing improved energy efficiencies. Some trees were actually transplanted from the construction site to a similar habitat when required. Established trees were not cut, but branches were cut and trimmed in a controlled manner, and only fallen flowers were used for decoration. The cut branches and fallen trees were processed further in their carpentry department. The resort also employs a resident permaculturist whose job is to enhance the green footprint of the resort by, for example, improving organic waste recycling and the productivity of the organic garden.

In February 2009 the resort chain will introduce an Environmental Management System that will monitor the energy usage of the resort and the region in kilowatts, especially in peak hours. By monitoring these figures, the resort will be able to pinpoint energy usage patterns, institute measures for its reduction and evaluate its progress against its targets.

Whitbread PLC – Renewable Energy Initiatives



Over the past year, Whitbread has been able to secure a supply of renewable energy for the first time by purchasing enough renewable energy to meet 5% of its total energy use. This has lowered the company's dependency on fossil fuel-generated electricity and therefore reduced the carbon emissions associated with the company's electricity consumption.

The Premier Inn hotel in Woking has assimilated the adoption of renewable energy sources into its operations by employing solar thermal to pre-heat the incoming cold water supply to the hotel's boilers, thereby lowering gas usage. Moreover, it uses photovoltaic systems to convert energy from the sun into electricity, which is used directly by the hotel. The technology has proved to work even on overcast days by generating some electricity.

The company has started a bulb replacement programme with the aim of phasing out its use of non-energy-efficient incandescent bulbs in favour of those that use less electricity, such as compact fluorescent bulbs and LEDs. To date it has replaced over 160,000, or approximately 40% of its light bulbs with low-energy alternatives. These last twice as long as the bulbs used previously, thereby reducing life-cycle costs. In addition, they use on average 30-50% less electricity. The company, also on a trial basis, has been testing PIR motion-detector lighting controls in the corridors at three hotels.

The new hotels are fitted with energy-efficient condensing water heaters, which are especially designed for the production of large volume hot water in commercial properties. Using innovative condensing technology, these water heaters allow low energy consumption and low running costs in addition to low CO₂ and NO_x emissions.

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