

Q&A

May 2022

1. How did you rank the companies? How did you end up with the letters A, B, C and D?

The ranking grades 230 US, UK and European companies according to nine indicators, relating to emissions reduction targets, reporting and air travel emissions. Each indicator was broken down into varying levels of success, which gave a company a specific amount of points. For example, for the first indicator on commitment (i.e. does a company have a reduction commitment and does it specifically mention business air travel), a company was awarded 0 points for no target, 0.5 points for a broad emissions reduction target, 1 point for a business travel emissions reduction target, and 1.5 points for an air travel emissions reduction target. For certain indicators, points could be subtracted, to penalise companies. For a detailed overview of the nine indicators and how many points were attributed for each level of success, please refer to Table 4 of the full briefing.

With a minimum score of -1 and a maximum score of 12.5, the companies were then categorised according to their final scores as either A, B, C or D. Companies have different scores within the band.

2. How did you pick the 230 companies?

The first set of companies were chosen by selecting the top 50 companies in Business Travel News's (BTN) Top 100 Corporate Flyers List from 2021. As BTN's list primarily contains U.S. based companies, we added the top 5-10 companies in Austria, Netherlands, Belgium, France, Ireland, Italy, Germany, the Netherlands, Poland, Portugal, Spain, and the UK (based upon emissions commitments, targets or reporting) to expand the database's geographic range. To ensure we included companies that are conscious of business travel emissions, we also added any company located in Europe and North America who had a mention of "business travel" in their Science Based Target Initiative (SBTi) commitment. Finally, we also added the top companies in each country by market capitalization as well as the top companies in each country, and Europe more broadly, from the industries that tend to fly the most (i.e. pharmaceuticals and consulting), even if they had no emissions commitments, targets, or reporting.

The company database is roughly 75% European companies and 25% U.S. companies.

3. Why does the database of companies focus on the US, UK and the EU?



The choice of the 230 companies is explained in question 2. Whilst this ranking offers a comprehensive view of the commitments and reporting of a wide range of companies based on available data, we are aware that these results are not entirely representative of the global state of business travel. Research and data has shown that a significant portion of business travel is done by companies based in Asia, which were excluded from this study. One report estimates that almost a third of business travellers are based out of China¹. Consequently, to establish a more complete picture of business travel and its emissions, a broader geographic scope could be added to a future edition of the ranking, depending on data availability.

4. Where does the data come from?

The data is based on a variety of sources, including the Carbon Disclosure Project (CDP) database, the SBTi database, company ESG reports, annual reports, sustainability reports, press releases, and other company-authored media that outlined commitments and targets. If no commitment or emissions data was found, the company was determined to have no publicly reported business/air travel emissions related commitments and targets.

5. How much weight do you give to each indicator?

Nine indicators were used in the ranking. Each indicator was broken down into varying levels of success, which gave a company a specific amount of points. For example, for the first indicator on commitment (i.e. does a company have a reduction commitment and does it specifically mention business air travel), a company was awarded 0 points for no target, 0.5 points for a broad emissions reduction target, 1 point for a business travel emissions reduction target, and 1.5 points for an air travel emissions reduction target. For a detailed overview of the nine indicators and how many points were attributed for each level of success, please refer to Table 4 of the full briefing.

6. Are A and B passing grades and C and D failing?

The Smart Travel Ranking does not offer a pass or fail grade. It aims to shine a light on best practices for reduction of corporate travel emissions. Absolute air travel reduction targets and air travel emissions reporting are considered leadership values, expressing transparency and willingness to reduce carbon emissions from corporate air travel.

The grade D was given to those companies who do not disclose their emissions (even at the Scope 3 level) or disclose their business travel emissions but are major emitters with no specific commitments and reduction targets related to business travel.

¹ Shell International BV in collaboration with Deloitte, Decarbonising Aviation: Cleared for Take-off Industry Perspective, 2021,

https://www.shell.com/promos/energy-and-innovation/v1/decarbonising-aviation-cleared-for-take-off/_jcr_content.stream/16

^{32757263451/}e4f516f8d0b02333f1459e60dc4ff7fd1650f51c/decarbonising-aviation-industry-report.pdf

Out of 230, 8 companies (3% of the ranking) got A grades and 30 companies got a B score (13%). The majority of companies (142 or 62%) got a C and 50 (or 22%) got a D.

7. What does the total score mean? What is the top score and why do some companies get a negative grade?

The total score is the addition of points given to each company for the nine indicators. A company will gather many points for absolute air travel reduction targets and air travel emissions reporting. A maximum score of 12.5 represents a company who has made a business travel commitment more than one year ago that includes an absolute (as opposed to intensity) air travel emissions reduction target greater than 50% before 2030. For top marks, a company must also be reporting on their emissions for the past 3 years. Points are deducted for not disclosing emissions and for being a major emitter (e.g. having emissions above 280,000 tCO2).² The minimum score (-1) represents a company who has no emissions reduction commitments and targets and no reporting.

8. Have the 230 companies received the ranking and have you engaged with them on the results?

All companies will have been contacted before the launch of the ranking. Any company wishing to submit additional data is free to do so. We will then revise the ranking for future editions.

9. Are all the companies with the same grade (A, B, C, D) equal or do some perform better than others on reducing corporate travel?

Each company will get a total score, which depends on their corporate travel emissions reduction target, their accuracy of reporting and their emissions levels. Depending on the total score, a company will be attributed an A, B, C or D letter.

An A letter corresponds to a score of 9.5 points or over. A company with the letter B has a total score ranging from 6 to 9. The letter C was given to all those companies with a score between 2.5 and 5.5. And the lowest grade, D, was for all companies scoring lower than 2.5 points.

10. What do you consider a big emitter for corporate travel? And why do some companies emitting a lot for business flying still rank highly in the ranking?

In the Smart Travel Ranking, a major emitter was considered to have emissions above $280,000 \text{ tCO}_2$ in 2019. The cut-off at $280,000 \text{ tCO}_2$ represents the top 1/3 of all companies by their 2019 or 2020 reported emissions. If companies were considered major emitters, they lose one point. However, major emitters could have ambitious reduction pledges and have been reporting on their air travel emissions for a long time, for which they will have received high marks.

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² The cut-off at 280,000 tCO₂ represents the top 1/3 of all companies by their 2019 or 2020 reported emissions.

11. What is the difference between air travel and business travel in the ranking?

Business travel covers employee travel for business-related activities in different types of vehicles owned or operated by third parties - air, train, bus, car, etc. -, as well as hotel stays. Air travel refers exclusively to employee travel by aircraft owned or operated by third parties.

12. Why is an absolute target better than an intensity target for corporate travel?

Intensity targets (in tCO₂/employee) are common, and are not as meaningful as absolute reductions. Companies who commit to intensity targets may still grow their absolute emissions, and thus their climate impact, if they extend their workforce.

Further information about the campaign

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