

Case Study 5

PricewaterhouseCoopers

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Executive summary

PricewaterhouseCoopers UK – working to reduce CO² emissions caused by air travel

- Corporate sustainability is about helping us understand how we impact our stakeholders and the communities in which we operate, and then applying this knowledge in a responsible way to create a strong and successful business
- Air travel accounts for approximately 50% of the firm's CO² emissions
- Growth in air travel slowed on domestic and European routes (at a time of expansion for the business), but not yet on long-haul
- Reducing air journeys has been targeted through challenging the need to travel, the use of technology, such as; video conferencing. Switching to rail and sending fewer personnel to the same meeting.
- Focusing on internal travel rather than client facing as an immediate opportunity with a reduced impact on the business.
- Communication is key because PwC has a non-mandating culture
- Offsetting where we can not eliminate is regarded as last resort

Strategic motivation

Air travel accounts for a growing percentage of PricewaterhouseCooper UK's carbon footprint. In its financial year to June 2008, business air travel by PwC partners and employees resulted in 16,000 tonnes of CO² emissions – about half of the firm's total emissions for that year. This was a rise of 3,000 tonnes compared with 2002. During that same five-year period, energy-related emissions (such as heating buildings) fell 75 per cent. In addition our clients and staff are now challenging us to lead the way in terms of Sustainability. Coupled with this is the increasing cost of travel, with oil at an all time high the firm's travel costs are spiraling. These facts have put reducing air travel top of the agenda

PwC is determined to reduce its travel-related emissions in particular and to be a sustainable business in general for the following reasons:

- **Leadership** – it wants to show a lead to clients. PwC is committed to engaging in the sustainable development challenges faced by clients and helping them to respond
- **Public relations** – in particular, PwC considers its reputation for commitment to sustainability is crucial for attracting graduate talent. PwC is the UK's largest recruiter of graduates.
- **Savings** – a Greener attitude will eliminate unnecessary travel, which will in turn create financial savings.

Action plan - measure; reduce; offset

PwC's overriding message to travellers is not to stop travelling but to reduce it. With the exception of security-related issues or travellers trying to travel out of policy, it does not mandate action, but strongly encourages compliant behavior.

a) Measurement

PwC measures its emissions by obtaining mileage figures for each trip booked by travellers. The mileage is provided by PwC's travel management company, HRG, which in turn obtains the figures from reservations through the Galileo global distribution system. PwC calculates its CO₂ emissions by applying multipliers (emissions per mile travelled) supplied by the Department for the Environment, Food and Rural Affairs (Defra). Defra publishes separate multipliers for short-haul, medium-haul and long-haul flights because shorter journeys are less fuel-efficient as well as cabin class. The Defra multipliers are regularly being updated/revised, however this should not be used as an excuse not to measure, it only means re-stating previous year's emissions as new multipliers are announced.

b) Travel reduction

Air Travel

Apart from offering lower impact alternatives, such as rail and the use of technology, we have also entered into an agreement with the World Land Trust to make an investment in order to protect endangered rainforest in Ecuador. The World Land Trust scheme operates by incentivising business units to reduce their CO₂ from air travel by awarding business units 1 acre of rain forest for every tonne of carbon reduced per quarter, in the first quarter 400 acres were saved.

Video conferencing (VC)

In 2005, PwC had VC facilities of mixed quality in 17 of its 40 UK offices. Over the next three years it invested £5000,000 in upgrading existing facilities and introducing new ones to another 22 offices. It has also changed its VC network provider because, among other problems, the previous incumbent was unable to measure utilisation.

PwC strongly encourages all partners and staff to use VC for internal meetings, especially regular ones. There has been an increase in utilisation, with the facility in use for <30 per cent of working hours at the best-performing offices. However, PwC wants to drive the figure higher and is still having to overcome negative perceptions created by earlier, inferior VC technology. It is employing the following methods to increase utilisation:

- Undertaking communications and training campaigns
- Implemented targets for increased VC utilisation written into every office managers objectives
- Defining VC 'etiquette' to make meetings more productive, e.g. appointing a meeting leader in each location
- An incentive scheme in which VC hosts earn points for their business unit by booking a VC instead of a flight, the points scheme then lead to the protection of endangered rainforest being protected through the firm's investment with the World Land Trust.

Rail

PwC's travel policy urges the use of rail wherever it is a viable alternative to air. It is especially promoting rail as the first choice on intercity routes of less than 3 hours journey time such as key routes between London and Liverpool, Manchester, Leeds and Newcastle.

Fewer personnel travelling

PwC wants travellers to prioritise finding alternatives to flying, such as through VC or using trains. However, since this is not always possible, it is also encouraging smarter trip planning. One example is sending fewer personnel to the same meeting, such as only one or two representatives to a client meeting instead of the whole engagement team.

c) Offsetting

PwC regards offsetting as a last resort when all other attempts to eliminate air travel have been exhausted. The firm has entered into a three year agreement with Climate Care, which it selected from a short list of three organisations after an exacting due diligence process. The firm will offset at least 80% of emissions, with options under consideration for the remaining 20%. Credits will be sourced from a portfolio of projects which includes new carbon finance for two projects in India and South East Asia providing sustainable energy to local communities from wind turbines and biomass generators. Projects will be verified using the Voluntary Carbon Standard and both schemes should boost confidence in investing in small scale renewable energy projects.

d) Communication

Communication is key at PwC owing to its non-mandating culture. In addition to those already described, PwC has used the following methods to promote sustainability:

Travel fairs – PwC stages travel fairs twice a year at its major sites for preferred suppliers to meet travellers and bookers. It has been promoting VC at the fairs and giving more room to rail companies.

Direct engagement – The PwC travel has held meetings with personnel (usually bookers) to explain how and why it is encouraging VC in preference to air travel.

Champions network – There are 150 ‘champions’ among PwC bookers and other UK-based personnel. Their task is to advocate the travel programme locally. They have been set promotion of sustainable travel as part of their formal and informal objectives.

Top travellers - 1,600 personnel at PwC account for 80% of its travel. The UK senior Partner e-mailed all of them at the end of fiscal year 2007 setting them a personal reduction target and urging them to seek alternatives. The target group has continued to receive e-mails on the subject every quarter, illustrating how they are performing compared to their target. In some business units, sustainable travel goals have been added to the objectives set for directors, partners and frequent flyers.

Love the World You’re In – On St Valentine’s Day 2008, the PwC travel team sent frequent travellers cards entitled ‘Love the World You’re In’, urging them to act sustainably. There were also events that week in all London and some regional offices promoting a sustainable lifestyle and alternatives to flying.

Leading by example – The PwC board has abandoned a long-standing annual conference in Spain in preference for a UK location, reducing the emissions associated with the conference. The UK senior partner has switched his weekly journeys between Manchester and London from air to rail. The travel department has started to ‘walk the talk’ for example conducting self-booking tool training by VC.

Results (as of Dec 2009)

In the first half of FY09 (Jul to Dec 09) PwC were able to show a reduction of over 2,000 tonnes CO² from Air travel leading to a 2,000 acres of rain forest being protected and a financial saving in excess of £2m. We saw a significant reduction in travel across the North Atlantic, European air travel was flat and domestic air travel increased by a small amount.

Targets include easier booking and ensuring the online reservations tool offers the best available fares. The introduction of rail printers into offices, is expected to continue to make the use of the preferred booking channels easier.

Project Icarus

PwC was the first organisation win Project Icarus accreditation.

Best practice tips

Reduce your flying, don't stop completely

There will always be occasions where you need to be in front of the client or when an internal project is not going so well. These occasions demand a face-to-face meeting which cannot always be taken by train. PwC top traveller e-mails talks about appropriate reduction not cessation

Communication

Ensure communication is varied and targeted at all relevant stakeholders with appropriate messaging, including travellers, bookers and senior management.

Management Information

To drive behaviour you need to communicate cost savings as well as carbon reduction and suitable technology alternatives that work in an environment that is productive. Robust diverse MI is vital to focus minds and drive adoption of alternatives to travel. Compliance to preferred channels brings the MI and when significant numbers are not using the firms preferred booking channels, the data is meaningless

Understand video limitations

Don't run before you can walk. Understand the limitations of the technologies available and the ability of the user to successfully interact with it, for example, for a new user there is little point in trying to run a presentation over VC with five sites logged in. It probably won't work or at best will be so slow that everyone gets frustrated and switches off their minds or the equipment. Engage the user in simple VC sessions to build their confidence before you blind them with solutions. Also if you wish to run it with a third party's equipment, such as a client, the likelihood is it will work slightly differently. Even if you have run a VC before, get there well in advance so you are prepared. If you are in the audience, again arrive five or ten minutes before it starts so that you can become familiar with the surroundings

Institute of Travel & Meetings (UK and Ireland)

The Institute of Travel & Meetings was established in 1956 to provide networking, education and best practice in business Travel Management. The Association boasts over 1,000 buyer and suppliers members in the UK and Ireland with a representation of over 25% of the business travel market in this region. ITM undertakes conferences, research, lobbying and training for its members.

Project ICARUS

Project ICARUS was established by ITM, initially to promote carbon reduction in travel management programmes throughout the UK business travel industry. The project is led by, and targeted primarily at travel buyers/managers as any movement to reduce carbon emissions needs to be focused on this community. Project ICARUS was conceived after the ITM conference in 2006, when a number of leading industry figures and journalists all independently discussed their concerns with ITM about a lack of leadership on Climate Change in business travel management.

The Project's Goals

The intention of ICARUS in the first instance is to drive the UK travel industry to reduce carbon emissions in line with government targets of a 60% reduction by 2050. After its initial focus on Carbon Emissions, the project will look at other areas of CSR, such as other greenhouse gas emissions, duty of care and sustainable procurement in due course. The project group has set about creating a plan of action to firstly inform buyers and suppliers of our environmental situation and the action they could take and secondly to provide practical guidance and assistance for travel buyers to start on the environmental road.

For more information contact ITM on 01625 430472 or visit www.itm.org.uk