



INSIGHTS FROM THE CLIMATE & ENVIRONMENT ACTION FORUM

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INTRODUCTION

On September 24, 2019, the World Travel & Tourism Council (WTTTC) in collaboration with the UNFCCC, hosted its inaugural global Climate & Environment Action Forum in New York City.

This Forum took place as leaders from across the world gathered for the UN General Assembly and to address the climate crisis. This Forum brought expertise and energy to questions of how Travel & Tourism should respond.





WHY CLIMATE ACTION?

- The Travel & Tourism sector must “change before it has to”, before it is forced to. We need to stop seeing the world as we wish it to be, but rather how it really is. We need to listen to our youth and provide them with answers.
- The numbers are staggering. A one meter level sea rise will result in damage to 60% of the resort properties in the Caribbean. Even with the 1.5 degrees Celsius scenario, 70%-90% of coral reefs will disappear. Higher temperatures and excessive nutrients in the water favour the formation and growth of Sargassum which is plaguing the coasts of Mexico and the Caribbean.
- The reality is that climate change is existential and is outpacing us. It could soon have a devastating effect on the global economy. It is the single biggest threat to the Travel & Tourism sector; and we can see it coming. The correlation between human behaviour and climate change is there. Unfortunately, too many companies continue operating as if it doesn't exist. Avoidance is not a good long-term strategy; business as usual is not good enough anymore. Not for our sector, not for any sector.
- There are no magic answers. Climate action requires sustained targeted resilience and collaboration across stakeholder groups. We need to hit net zero emissions by 2050 to limit global warming to survivable levels.
- Travel & Tourism can and must be a force for good when it comes to sustainability. Growing at 4% annually and contributing to 5% of total global emissions, WTTC recognises that climate action needs to be at the core of all growth. The sector has made progress, but it must move further and faster. It must work together to set the path for a climate neutral future. There is a need to consider solutions from sustainable forestry and solar energy to retrofitting buildings and addressing waste.
- In this context, WTTC is launching a bold new initiative, the WTTC Sustainable Action Plan, to encourage and help the entire Travel & Tourism sector to take meaningful action to address the threats that climate change poses to the sector and to the world. The best time for action is now.

CLIMATE IS NOT A COMPETITION

- Chris Nassetta, President & CEO, Hilton, stated that “we can either impose discipline upon ourselves, or it will be imposed upon us”. To be responsible stewards, the sector needs to be accountable.
- Climate is not something we should be competing on. There are plenty of ways in which we will compete over time, this should not be one of them. The sector should share best practices and lessons learnt and set joint goals. Given the fragmentation of the sector, it is important to get ourselves more organised.
- Hilton realised a number of years ago it needed to do its part. And to do so it must set science-based targets, both environmentally and socially, and measure them. Getting stakeholders onboard is not as complex as one might think. What it requires is a compelling narrative backed by data. Science-based targets matter- and measuring results matter. In fact, the cost of building sustainability infrastructure for Hilton was a drop in the bucket considering the billion dollars in savings.
- Over the past decade, Hilton has reduced energy use by 22%, carbon output by 30%, water use by 22% and waste by over 30%. Hilton created the first soap recycling programme, which to date has recycled 9.6 million bars of soap. Plastic straws are gone and through the creation of their “digital key”, Hilton has removed 40 tonnes of plastic. The company has been rewarded by being recognised as a global leader in sustainability on the Dow Jones Sustainability Index.
- People care. In fact people want to travel sustainably. However, there is a disconnect between what people say and their behaviour. The sector must come together to change and stimulate new behaviours.

ARUBA'S APPROACH

- Climate events can cause irreparable damage to natural ecosystems which are the heart of the Travel & Tourism sector. In fact, entire tourism sectors could cease to exist if the natural resources that are central to them are damaged beyond repair.
- For small island states, climate can have tremendous impact on their entire economy, both in monetary terms from a sustainability perspective. It could take decades for corals to grow and mangroves to be reforested. We cannot force nature to grow faster. Time is something that we do not have when we try to get an economy back on its feet.
- Tourism is the heart of the Aruba economy, representing 90% of GDP in 2018. Given Aruba's dependence on the Travel & Tourism sector it must pursue innovative pathways to develop in a sustainable way. Aruba is pursuing high value-low impact approach.
- While Aruba is reaching out to other islands and the world to join the climate change movement, it believes change starts from within. Aruba is undertaking reforms to recalibrate its energy policy and reset targets, including energy efficiency, revisiting renewables as well as transportation emissions and the shift towards electrification. It is also working to raise national awareness, and particularly its youth to foster energy conscious behaviour.

DESTINATIONS IN ACTION

- While declaring a climate emergency is not binding, New York has made binding commitments. This statement is just one piece that dovetails into a legacy of aggressive climate action. New York has been rolling out a very extensive new green deal for the city. With over 1 million buildings in New York City, it is essential to centre our climate action around the built environment.
- There is no substitution for aggressive federal action. However, as not all countries have stepped up cities have come in to bridge those gaps. In New York, for instance, 70% of greenhouse emissions come from the heating and cooling of buildings. As a result, the city has passed the climate mobilization act, the anchor of which was a global mandate in greenhouse gas emissions for large buildings.
- Norway has been focused on the reduction of emissions, with a focus on transportation. Specifically, Norway is putting in place a policy banning the use of heating oil by 2020. It is starting a build-up with advanced biofuels and aviation in 2020. By 2025, Norway will only have electric buses in its cities and will only sell zero emissions cars. It imposes taxes on non-electric vehicles. The focus will then turn to heavier trucks and green shipping, with a plan to only allow zero emission ships in the country by 2026.
- Climate policies are driving economic development in Norway. Such economic thinking should be integrated in the development of countries across the world regardless of their level of development. There is also a need to engage with tourists, making it easy for them to take the "green" approach and even considering asking them for suggestions on how the destination can be a better steward to its guests.

REGULATORY & INVESTOR RESPONSES

- There has been a seismic shift in investment attitude. Businesses are getting pressure from their investors to change, when they used to have pressure to stay the same. Sustainability strategy is now a US\$30 trillion business, having grown 175% over the last 3-4 years; while impact investment has grown by 800% over the past few years to become a ½ a trillion-dollar industry. The enthusiasm of investors is pushing financial services to create valuable investable opportunities.
- There is a need to create information. Information is the lifeblood of good decision making. It is key to understand how climate will impact companies' financial performance. Companies tend to report on what they are best at, making it difficult for investors to differentiate and make informed investment decisions. Regulation and harmonisation of disclosure is a big step in the right direction to have commonality of data and enable comparison.
- We are on the verge of the largest inter-generational wealth transfer in history. It is not a big stretch of the imagination that as today's young adults now begin to have investable power, they will drive positive change. This is reflected in increasing demand and creation of new financial products. For instance, given the value individuals place on conservation, the Rhino Impact Bond is being developed as a financial instrument working towards the conservation of species.
- While there will be an inevitable governmental policy response in the next five years, companies should begin the process to figure out what this means for them and how to change now. There is ultimately a need for both data and storytelling.





EMISSION MANAGEMENT STRATEGIES

- Jevons Paradox: As energy systems become more efficient and the services become more efficient; the demand increases. There has been an enormous increase in Travel & Tourism and a consequent increase in emissions. For the sector, there will be a need to balance between remaining greenhouse gas emissions and sinks so there is no net addition of CO₂ and greenhouse gases to the atmosphere.
- Shell built a scenario, Sky, on the basis of the Paris agreement, which aims for net zero emissions. It involves six big steps forward, notably, government activity, energy efficiency, deep electrification of the energy system, growing new energy systems, utilising carbon capture and storage and ending deforestation.
- Aviation, which makes up 40% of the emissions of the Travel & Tourism sector, has extremely long cycle timelines measured in decades. In effect, the Boeing 747, which first arrived on the scenes in the 1960s may have its last flight as late as 2060. How do we plan for what is being built today and manage emissions, when we know it will be flying for many decades into the future?
- Biofuels will play an increasingly important role for aviation this century. In Sky, hydrogen emerges as a possibility for aviation in the 2050s and beyond. Synthetic fuels currently look to be cost prohibitive, and as such remain in the distant future. The Sky scenario does see an energy system that can reach net zero emissions later 2070 based largely on substitution and carbon capture and storage (CCS). Bioenergy with CCS will also have an important role to play and will need to be employed at scale. If large scale changes into land use are also incorporated, then the 1.5 degrees outcome can be achieved. Starting now is essential.

BUSINESSES IN ACTION

- An agile mindset allows companies to move into uncharted territory and be bolder. Travellers have to understand being sustainable doesn't have to take from the quality experience. It is essential to make your clients participate in the journey, making them feel the purpose of being part of it. That you are doing it for the right reasons. Take a stand, be bold, be brave.
- To address ocean challenges, Iberostar, through a circular mindset, is working to eradicate single use plastics, address food procurement and the impact of washing products among other initiatives. For instance, the most intensive micro-plastic contaminant in the ocean comes from the washing. Iberostar is working to contain and recycle those fibres. In this context training, with positive reinforcement, is important.
- Measuring emissions is key. Over five years, Intrepid measured the carbon emissions from all the modes of transportation it used, from every form of accommodation and where it incurred waste. Interestingly, the variance of emissions across countries for the same mode of transportation was significant. On that basis, emissions were reduced where possible and offset where it wasn't possible. Carbon neutrality was achieved 10 years ago.
- As the largest carbon neutral airport in the world, DFW airport uses 100% wind energy and renewable natural gas in its bus fleet. DFW airport has reduced its carbon emissions by 80% and reduced energy costs by nearly a third, by \$20 million over the last 7 years. Each of those decisions were good business decisions. Young travellers notice and appreciate the focus on sustainability.
- Reorienting the approach to insurance to incentivise the sector to do a better job is key. This is a universal approach to tackle issues well in advance, so those insured don't have to face the risk. Risks can be rated; the data is there. Both terrorism and natural disasters are caused by man and there is a need to address these risks collectively. While it is important to listen to the youth challenging the sector, it is also important to remind them that travel is a force for good.
- The story that hasn't come out is that there can be a vested interest in investing in your clients and the environment and telling that story. Ownership can sometimes be used as an excuse not to act. The reality is that if you consult with shareholders, you might be surprised with what you find.

THE VOICE OF LEADERSHIP

- The sector can do a lot to address climate change. Billions of people are in contact with Travel & Tourism, millions rely on the sector for their livelihood, and the sector itself depends on a healthy and resilient environment and locations. A lot is at stake.
- The basic direction of energy transformation is clear. We need to get to zero net emissions by 2050. The sector needs to reduce its own climate impact; increase resilience and adaptation and advocate on behalf of the sector and the planet. We need voices and leadership to overcome inertia, neglect and vested interests. The world loves Travel & Tourism and lives for it. We need the sector to stand up and communicate that we are risking endangering what we hold dearest.
- The answer is not less airline travel, but rather airline technology that is zero emission and we should be working on that as aggressively as possible. For aviation, the solutions align around electrification of short-haul air travel and synthetics for long-haul air travel.
- There is a tremendous vulnerability for tourist destinations across the world. There is a need for better preparedness, management and recovery from natural disasters such as hurricanes. The emergence of Sargassum has also become a pressing issue - a sign of the anthropogenic damage that is being caused. The sea level rise will also be devastating for numerous tourist destinations. WTTC and its Members should engage in adaptation discussions.



DO YOU CARE?

- We should all feel uncomfortable. More needs to be done by our sector and by all sectors. Travel & Tourism connects people with the planet, with nature. With greatness, comes responsibility. Travel & Tourism needs to own that agenda, we need to own the future of humanity. We are at a crucial tipping point.
- In the past seven decades, there has been tremendous economic growth. The Millennium Development Goals were built on the success of halving global poverty in 15 years and now, with the Sustainable Development Goals, we need to eradicate it altogether in the next 15 years.
- On July 29 this year, we already used all the resources that this world replenishes every year. We are borrowing 60% now from future generations this year alone. We are living well beyond our means. As such, we need to evolve capitalism and move away from a system relying on overconsumption, high levels of debt and high inequality. In any system where too many people feel left behind, these systems will ultimately rebel. The reasons people take to the street in protest are because banks are too big to fail, but people are too small to matter.
- We are in this together, and must address climate change, move towards a circular or regenerative economy and have long-term financial markets. The status quo does not add up. We do not want to live in a world where there is more plastic in the ocean than fish. You don't want to live in a world where we cut the forests or the lungs of this world, at the rate that we are currently doing. If we don't do anything, we are guilty.
- We are a people industry and climate is one of the biggest opportunities in front of us. The effect of climate change on Travel & Tourism is significant. But the impact of aviation should be proactively addressed. The carbon budget of our future flights is 20% of the overall budget we have left. That's is how people will look at us. The sector will need to continue addressing plastics, as 40% of plastic debris in the Mediterranean comes from Travel & Tourism.
- Just to stay below two degrees in the next 20 years we will have to cut our absolute carbon by 40%. However, given that the economy is expected to double in this timeframe, this will require us to cut by 80% per output. As a sector, we need to create that awareness and have collective actionable and aggressive plans in place.
- The time is over to do the same things and expect different results. Waiting for technology to be the answer is delegating and abdicating responsibility. All the issues that we are currently facing we can solve today. Do we care? Because if we cared we would do something about it. We require courage and leadership. We need to be purpose-driven and long termism. We need to understand the power of partnership and empathy.

WTTC CLIMATE AMBITION

- We do care. At this first global Travel & Tourism Climate & Environment Action Forum, and while recognising the progress and contributions being made by the aviation industry, WTTC revealed its sustainability action plan to lead the Travel & Tourism sector.
 - The plan focuses around tangible actions and requires Member engagement in a number of areas:
1. WTTC has an ambition for the sector to be climate neutral by 2050. WTTC will work with its Members and with international and business organisations to set a framework for decarbonisation of the global Travel & Tourism sector.
 2. We will support the Travel & Tourism sector in developing ambitious climate strategies, such as setting science-based targets, and in reducing the impact of current activities, products and services by continuously using resources in more efficient ways. We will work to support energy efficiency measures, renewable energy, and waste reduction, both within companies and throughout the value chain. We will also work with governments to develop incentives for Members to invest in nature-based solutions.
 3. We will develop or share research and evidence for how Travel & Tourism companies can reduce actual emissions and invest in emission reduction schemes in projects through UN-approved or equivalent recognised mechanisms.
 4. WTTC and its Members will:
 - Identify and implement new sustainability strategies and innovative business models.
 - Seek to align sustainable development efforts with the UN SDGs.
 - Commit to prioritise sustainability by setting ambitious, time-bound sustainability targets.
 - Collaborate and share data and best practices to improve sustainability.
 - Engage consumers in efforts to make travel more sustainable.
 - WTTC will produce an annual report of action that will articulate and show demonstrable movement towards Climate Friendly Travel and progress towards sustainability commitments.
 5. Through the WTTC Sustainable Travel & Tourism Partners, WTTC will invite all companies, large and small, to sign up to the programme so that they can be recognised for their commitments and progress towards sector sustainability.
 6. WTTC will launch a Sustainable Travel & Tourism Hub which will fuel our research, drive best practice sharing, and foster collaboration with key partners including ICAO, UNEP and UNFCCC to find climate solutions that are applicable across the sector.



LIST OF SPEAKERS (IN ORDER OF APPEARANCE)

Ros Atkins, Presenter, BBC News
Gloria Guevara Manzo, President & Chief Executive Officer, WTTC
Patricia Espinosa, Executive Secretary, UN Framework Convention on Climate Change (UNFCCC)
Felipe Calderon Hinojosa, President of Mexico, 2006-2012, Honorary Chair, New Climate Economy
Christopher Nassetta, President & Chief Executive Officer, Hilton
Evelyna C. Wever-Croes, Prime Minister of Aruba
Mark Chambers, Director of Mayor's Office of Sustainability, New York City
Ola Elvestuen, Minister of Climate and Environment, Norway
Marisa Drew, CEO of Impact and Advisory Finance, Credit Suisse
Curtis Ravenel, Global Head, Sustainable Business & Finance, Bloomberg
Gabrielle Walker, Strategist and Author
Christoph Wolff, Head of Mobility Industries, World Economic Forum
David Hone, Chief Climate Change Advisor, Shell
Sean Donohue, Chief Executive Officer, Dallas Fort Worth International Airport,
Gloria Fluxà, Vice Chairman and Chief Sustainability Officer, Iberostar
Jeffrey C Rutledge, Chief Executive Officer, AIG Travel
Darrell Wade, Co-founder & Chairman, Intrepid Group
Peter Greenberg, Travel Editor, CBS News
Jeffrey Sachs, University Professor and Director, Center for Sustainable Development, Columbia University
Paul Polman, Co-Founder Imagine and former CEO, Unilever



ABOUT WORLD TRAVEL & TOURISM COUNCIL

WTTTC promotes sustainable growth for the sector, working with governments and international institutions to create jobs, to drive exports, and to generate prosperity. Council Members are the Chairs, Presidents, and Chief Executives of the world's leading private sector Travel & Tourism businesses.

WTTTC works to raise awareness of Travel & Tourism as one of the world's largest industries, supporting over 319 million jobs and generating 10.4% of global GDP in 2018.

To download reports or data, please visit www.wttc.org

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