



Travel Smart Ranking- 2023 edition

Benchmarking global corporate flyers on leadership towards purposeful travel

March 2023

Executive Summary

The 2023 Travel Smart Ranking measures efforts made by global companies towards reducing corporate air travel emissions, tracking their commitment, emissions and reporting performance. The yearly ranking is published by the Travel Smart campaign, a global campaign which seeks to get companies to reduce business flying emissions by -50% or more from 2019 levels, by 2025 or sooner.

- **85% of global companies don't have credible plans to reduce corporate flying emissions; and yet businesses have the responsibility and the means to make this necessary reduction happen to protect our planet, our health, and their reputation.**
- **Only four companies out of 322 in the ranking abide by the "gold standard": they report air travel emissions and commit to a reduction of 50% or more, by 2025 or sooner.**
- **If 10% of companies - the biggest emitters of the ranking - set 50% reduction targets, this would go half the way towards achieving the global target of -50% in corporate air travel emissions by 2025. After a year of inaction, there's no time to lose.**
- **40 leading companies report the full climate impacts of their business flying including non-CO2 emissions, but the majority do not yet take these into account.**
- **Businesses have found ways to perform while flying less in 2020 and 2021, and have not returned to the same level as overall commercial aviation. Only by setting targets can they ensure the sustained reduction needed.**
- **Governments should accelerate and extend mandatory frameworks for corporate climate impact reporting to include air travel CO₂ and non-CO₂ emissions, and for climate transition plans to include business flying emissions reduction targets.**

Efforts to reduce corporate flying emissions are rare

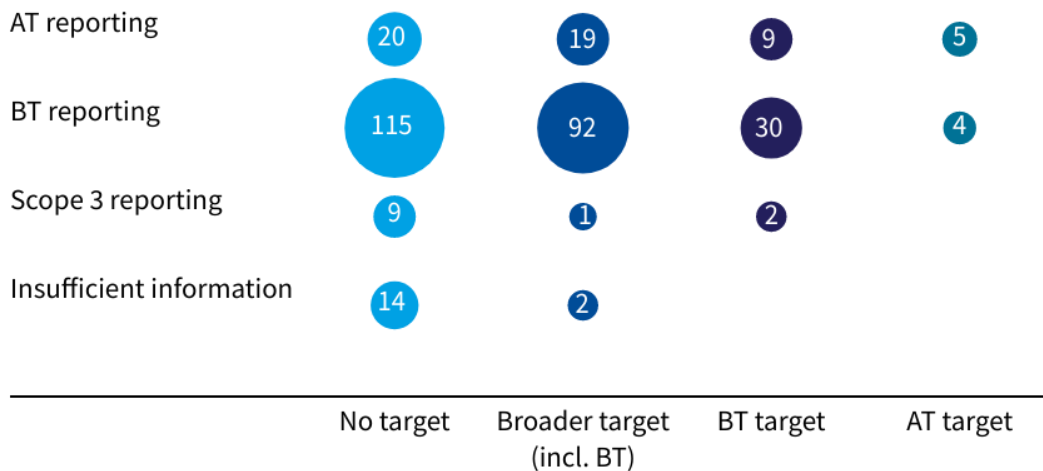


Figure ES.1: Number of companies by their business travel emissions commitment and reporting

85% of global companies are failing to set ambitious targets to reduce corporate travel emissions. Only 50 companies out of 322 have set targets to reduce business travel. While measuring and reporting seems to be a widespread practice, actually committing to reducing emissions is still residual. Moreover, only 16% of companies provide air travel emissions specifically, despite this being the most climate-intensive form of business travel, estimated to account for about 15-20% of air travel emissions globally¹ and 25-30% at European level².

Gold standard

Of the 50 companies which have committed to reducing business travel emissions, 40 have set a business travel target and only 10 have committed to reducing air travel specifically. However, this is not enough to keep global warming below 1.5°C. Only four companies in the ranking achieve the “gold standard” - i.e. reporting air travel emissions and committing to a reduction of 50% or more, by 2025 or sooner. These are Novo Nordisk (Pharmaceuticals, Denmark), Swiss Re (Finance, Switzerland), Fidelity International (Finance, United Kingdom) and ABN Amro (Finance, Netherlands).

Reporting full climate impacts

Non-CO₂ effects (resulting from the interaction between other aviation emissions than CO₂ and the earth’s atmosphere) are estimated to account for two thirds³ of aviation climate impact. Only 40 leading companies, or 12%, report these emissions and thus account for the complete climate impacts of their business flying.

¹ McKinsey & Company, The Travel Industry Turned Upside Down Report, September 2020, <https://www.mckinsey.com>

² In-house estimation, Transport & Environment, *Roadmap to climate neutral aviation in Europe*, (2022).

³ <https://www.easa.europa.eu/en/document-library/research-reports/report-commission-european-parliament-and-council>

The biggest flyers have the highest share of responsibility

A small group of well-known companies have a bigger share of emissions than the rest of the companies in the ranking. Our calculation shows that 10% of companies committing to -50% targets can go half the way in achieving the global target of -50% by 2025 compared to 2019⁴. However, too many of these big emitters don't have specific business travel reduction targets. The ten biggest flyers without a target, i.e. Volkswagen, KPMG International, Johnson & Johnson, Accenture, Siemens, IBM, Microsoft, Alphabet (parent company of Google), Merck & Co. and SAP collectively accounted for 3.5 MtCO₂ of air travel emissions in 2019, or 20% of emissions from companies in our ranking

Companies have innovated to perform while flying less

In 2020 and 2021, companies' air travel emissions decreased by 64% and 70% respectively compared to 2019. This was mostly due to travel restrictions as a result of the COVID-19 pandemic, but analysis shows that companies' emissions have not rebounded in the same way as commercial aviation emissions did in 2021, pointing out that corporations are innovating their practices to perform with less business flying. More companies following this path are needed for a shift towards more sustainable and responsible business practices.

Governments need to step up in their role to ensure sustained reductions

The UK and France both have legal frameworks requiring large businesses to report annually on their greenhouse gas emissions. The EU Corporate Sustainability Reporting Directive will extend reporting requirements on business travel emissions to 50,000 companies with operations in the European Union. The U.S. Securities Exchange Commission has also made a proposal in this direction. However, legal requirements for companies to define climate transition plans and emissions reduction targets are still in the starting blocks, which partly explains the lack of business air travel targets. A faster and more specific deployment of target setting requirements will be necessary.

⁴ This calculation takes into account the 262 companies for which baseline (i.e. 2019 or 2018) business travel emissions are available.