

## FOR SUSTAINABILITY REPORTING STANDARD-SETTERS

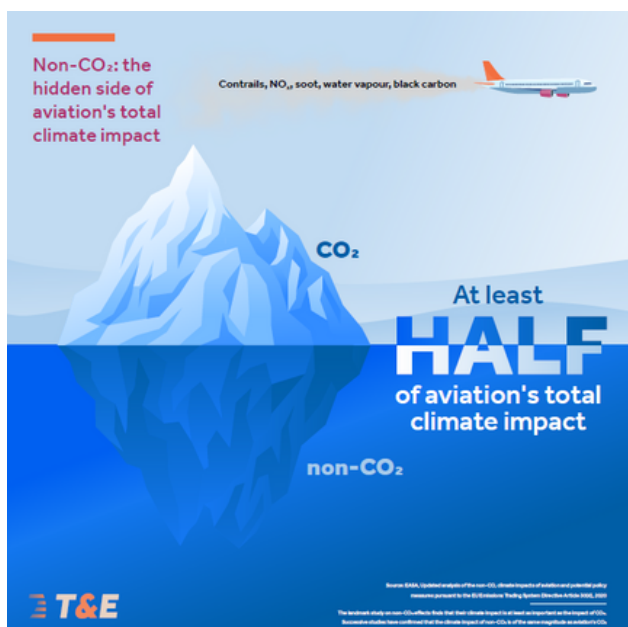
# How should companies account for the full climate impact of business air travel?

## The tip of the iceberg

When an airplane burns jet fuel, it releases carbon dioxide (CO<sub>2</sub>), and produces additional emissions which contribute to global warming. The most visible of these take the form of contrails, the long cloudy strips that usually form at high altitude and through cold and humid air, where moisture in ice-saturated air freezes around soot particles released from jet engines.

These contrails, and nitrogen oxide (NO<sub>x</sub>) emissions, are the largest contributors to so called “non-CO<sub>2</sub>” effects, which are at least as important as the impact of aviation's CO<sub>2</sub> and could triple the climate impact of your next flight.

Policy measures such as pricing of NO<sub>x</sub> emissions, adapting flight plans to avoid contrail formation, improving jet fuel quality and increasing the use of sustainable e-fuels, are needed in order to mitigate these impacts. While scientific understanding of non-CO<sub>2</sub> effects must be further improved, in light of the increasingly critical climate challenges we face, it is both necessary and possible to take actions to resolve one of aviation's biggest climate problems.



Standard-setting bodies can help businesses to align with science and best practice. How?

### Here's a simple 3-point plan:

Ensure that emissions factors fully integrate both CO<sub>2</sub> and non-CO<sub>2</sub> effects of aviation

1 Revise the UK BEIS conversion factors<sup>1</sup> and remove the factors excluding non-CO<sub>2</sub> effects.

2 In the GHG Protocol for company reporting, move the mention of the Radiative Forcing Index (RFI) factor from its 'note' to an extra bullet under 'should' in the section entitled 'emissions factors needed'.

Integrate disclosure of full climate impacts of business flying in leading company reporting standards

3 In the EU Corporate Sustainability Reporting Directive, include the requirement to report business air travel emissions encompassing non-CO<sub>2</sub> effects, so that this becomes mandatory, publicly accessible, and independently verified.

<sup>1</sup> UK Department for Business, Energy & Industrial Strategy, now succeeded by the UK Department for Energy Security & Net Zero.

## Tools to account for the full climate impact of business air travel

### Findings

- Non-CO2 emissions are referenced in the Greenhouse Gas (GHG) Protocol and UK BEIS calculation factors, but their reporting is left optional.
- The most commonly used Radiative Forcing Index (RFI) factor is that of UK BEIS, which is 1.7 in the conversion factors 2024.<sup>2</sup>
- Regulations affect requirements for reporting standards, which affect the use of GHG calculation methodologies, which affect the practices of travel agencies as regards booking tools.
- Travel agencies offer corporate clients the option of integrating non-CO2 emissions into booking information, however this is left to the choice of the business.

<sup>2</sup>The UK BEIS RFI factor was updated on 7 June 2023 from a previous value of 1.9 in the conversion factors 2022, in line with the latest GWP100 estimates from "The contribution of global aviation to anthropogenic climate forcing for 2000 to 2018" (Lee et al. 2021).

**Transport & Environment** commissioned the **Climate Neutral Group** to research the extent to which the full climate impact of flying are accounted for by the most frequently used GHG calculation methodologies, travel agency corporate booking tools, and reporting standards.

### Conclusions

- Having an international consensus on using an RFI factor of a minimum value could significantly improve measuring, reducing and reporting GHG emissions.
- In the short term, the following revisions could effectively ensure that GHG calculation methodologies adopt the RFI factor:
  - The UK BEIS conversion factors should remove the factors excluding non-CO2 effects from the tool, so that opting out is no longer possible.
  - The GHG Protocol for company reporting should move the RFI factor mention to an extra bullet under 'should' in the section entitled 'emissions factors needed.'
- The EU Corporate Sustainability Reporting Directive should contain a specific obligation on reporting business air travel emissions, including non-CO2 effects, so that this becomes part of reporting frameworks for companies that are mandatory, publicly accessible, and independently verified.
- Travel agents should use an RFI factor as a default when calculating emissions, and offer the option of opt-out instead of opt-in to profile themselves as more sustainable.

The **Travel Smart Campaign** is a global effort to encourage businesses to reduce their air travel emissions, improve their sustainability, and help to significantly reduce aviation's climate impacts in the present decade.

The **2024 Travel Smart Ranking** revealed that of the 328 companies evaluated, only 57 companies have set targets to reduce business travel emissions and 44 companies report the full climate impact of their travel, including non-CO2 emissions.