

Reduce your travel emissions guide

Practical pathways for sustainable business travel and employee commuting

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Executive summary

This guide is designed to help businesses create practical, sustainable travel strategies that reduce emissions while promoting employee health, wellbeing and productivity.

7 key steps to good practice



1. Build your scope 3 knowledge

• Learn and familiarise yourself with greenhouse gas protocol categories of emissions.

<u>See pages 4 – 7</u> for more information.



Understand your business's scope travel emissions

 Identify source(s) of travel emissions in and across your business's value chain and understand which scope 3 categories of travel emissions apply to your business.

<u>See Table 1. Travel-related</u> scope 3 emissions categories, page 6 - 7.



3. Measure and quantify your travel emissions

- Identify data available and assess its quality.
- Choose a fit-for-purpose method for measuring business travel and employee commute emissions.
- Establish a robust data collection process to ensure data availability and quality.

<u>See pages 8 – 12</u> for more information.

Scope 3 emissions account for more than 70% of a business's carbon footprint!

This guide supports broader business goals to reduce emissions and will compliment your existing sustainability strategies. This guide offers actionable insights into what scope 3 travel emissions are, data collection and quantification, as well as how to reduce travel emissions.



4. Set metrics and targets

- Set business-wide targets that align with your business strategy and ambition.
- Secure support from your sustainability committee (or equivalent) to ensure businesswide involvement.

<u>See pages 22 – 23</u> for more information.



5. Use a travel policy

- Use the **travel policy template** to align daily operations, manage costs, and reduce travel emissions.
- Encourage responsible travel choices across the business.

<u>See pages 19 - 21</u> for more information.



6. Involve and educate employees

- Adopt and roll out initiatives to support your travel emissions reduction target.
- Educate employees through businesswide campaigns to promote green commuting.
- Incentivise employees to adopt sustainable travel options.

<u>See 'Small Steps,</u> Big Impact' campaign guide on our website.



7. Monitor and report

 Measure and report on your travel emissions reduction progress periodically.

> <u>See pages 24 - 25</u> for more information.

Understanding greenhouse gas emissions categories

Since 2014, business capabilities and the field of greenhouse gas accounting and reporting have matured and grown significantly. As a result, corporate leaders are becoming more adept at understanding about scope 1 and 2 emissions but many businesses are not prepared to report on their scope 3 emissions. Greenhouse gas emissions scopes categorise sources for comprehensive accounting, reporting, and management. For businesses, understanding and addressing all three scopes will be critical to managing environmental impact and disclosing progress against emissions reduction goals.

Understanding emissions from business travel can be simplified by classifying them under scopes 1, 2 and 3.

- Scope 1 emissions come from owned or operated assets. For example, the fumes from the tailpipes of a business's fleet of vehicles.
- Scope 2 emissions include purchased energy. For example, a business's use of electric vehicles (EVs) and emissions from charging infrastructure.
- Scope 3 emissions are those from everything else, including business travel (category 6) and employee commuting (category 7). For example, business flights, employee commuting, use of lease vehicles, and use of third-party services such as hotels and taxis.



Figure 1. Overview of GHG Protocol scopes and emissions across the value chain Source: GHG Protocol

Scope 3 travel emissions categories

With scope 3 emissions representing the largest source of emissions for businesses and mandatory climate reporting on the horizon, corporate leaders are expected to understand, account for and manage them. This also means understanding what the appropriate scope 3 categories are.

Category	GHG protocol category	Category description	Relevant emission sources examples	GHG protocol – minimum boundary explanation
Upstream scope	e 3 emissions			
Category 2	Capital goods	Emissions from the production of capital goods, such as buildings and machinery, used by the company over several years.	Manufacturing equipment, company vehicles, building materials for corporate offices.	Emissions from extraction of raw materials, manufacturing, and delivery to the point of sale or use.
Category 3	Fuel and energy-related activities	Covers all activities related to the production, processing, and transportation of fuels and energy not included in scope 1 or 2.	Purchased electricity, heating, and cooling, including losses during transmission and distribution.	Includes upstream emissions from the extraction of fuel to its delivery excluding combustion.
Category 6	Business travel	Emissions from all business travel by employees in vehicles not owned or operated by the company.	Air travel, accommodation, car rentals, and train travel for business purposes.	Emissions from all business travel activities, regardless of the mode of transport.
Category 7	Employee commuting	Emissions from the daily commute of employees from home to the workplace using transportation not provided by the company.	Commuting by personal vehicles, carpools, public transportation.	Includes emissions from all forms of commuting that are not controlled by the company.
Category 8	Upstream leased assets	Emissions from the operation of assets that are leased by the company but are not included in the company's direct emissions (scope 1 or 2).	Offices, retail spaces, and vehicles leased by the company for its operations.	Emissions from the operation of leased assets during the reporting year, not controlled directly by the company.

Table 1: Travel-related scope 3 emissions categories

Category	GHG protocol category	Category description	Relevant emission sources examples	GHG protocol – minimum boundary explanation
Downstream scope 3 emissions				
Category 9	Downstream transportation and distribution	Emissions from transporting and distributing the company's products to end consumers, including retail and storage stages, using third-party services.	Delivery of consumer goods to retail locations or direct to customers, post- sale storage by retailers.	Emissions from third-party transportation and storage after the company has sold the goods.
Category 11	Use of sold products	Emissions from the end use of sold products that consume energy (for example, appliances, vehicles).	Home appliances, vehicles, electronics used by consumers.	Direct emissions during the use phase of sold products that consume energy.
Category 13	Downstream leased assets	Emissions from the operation of assets owned by the company but leased out to other entities.	Equipment and vehicles leased to other businesses, leased retail space.	Emissions from the operation of assets leased to others, not included in the company's direct emissions.

In this guide, we focus on how businesses can reduce their scope 3 category 6 and category 7 emissions only. Learn more about your business's scope 3 emissions in GHG Protocol's <u>Corporate Value Chain (Scope 3)</u> <u>Accounting and Reporting Standard</u>.



Measuring and quantifying travel emissions

Measuring scope 3 emissions is a big undertaking for businesses. For many businesses, scope 3 emissions account for more than 70 percent of their carbon footprint¹. By measuring and managing these emissions, businesses can reduce their overall impact on the climate, as well as help investors and stakeholders meet their emissions reduction targets.

GHG emissions scopes categorise emissions sources for comprehensive accounting, reporting, and management.

Calculating emissions from business travel (category 6)

Business travel emissions are accounted for in both scope 1 (direct emissions) and scope 3, category 6 (indirect emissions) depending on vehicle ownership. Prior to choosing a method of measurement for travel emissions, businesses need to consider:

- Data available Identify travel forms (for example, fleet vehicles, air travel, commuting) and determine if your business has primary (direct) data, such as fuel usage, or secondary data, such as travel expenses.
- Data quality Assess whether the data is primary or secondary, as primary data (such as fuel records) generally lead to more accurate emissions calculations.
- Level of accuracy required Choose the most suitable measurement method depending on data accuracy needs and consider a hybrid approach when multiple data sources are available for greater accuracy.

1 Greenhouse Gas Protocol (2019). <u>'You, too, can master value chain emissions'</u>.

Once there is a clear picture of the quality of data available and purpose of the data, businesses need to select a method to measure scope 3 travel emissions. See figure 2 to help you identify a fit-for-purpose method. There are three main methods of measuring your business travel emissions, namely:

- **Fuel-based method**, which involves determining the amount of fuel consumed during business travel (scope 1 and scope 2 emissions of transport providers) and applying the appropriate emission factor for the fuel.
- **Distance-based method**, which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.
- **Spend-based method**, which involves determining the amount of money spent on each mode of business travel transport and applying secondary emission factors.

See how all three methods compare in Table 2 on page 12.

Figure 2. Decision tree for selecting a calculation method for emissions from business travel (category 6)

Where data is incomplete, don't let this stop you. Consider adopting a hybrid method, especially when there are



multiple data types available with no single source providing a complete picture, to enhance accuracy.

Insufficient data for the distance-based method can be addressed with **employee surveys**, to fill data gaps, see 'Calculating emissions from employee commuting (category 7)' for more details. Surveys are particularly useful to estimate distances for less formal travel and are primarily relevant for scope 3 category 7 (employee commuting), especially where direct data is unavailable. They help capture commuting patterns and travel behaviours not covered by automated tracking.

Calculating emissions from employee commuting (category 7)

Employee commuting emissions are accounted for in scope 3, category 7 (indirect). These emissions include transportation of employees between their homes and worksites in vehicles not owned or operated by the company. Properly quantifying these emissions helps organisations understand their carbon footprint and identify reduction opportunities.

There are three main methods of collecting data on your employees' commuting emissions, namely:

- Employee survey: Use yearly commuting surveys to gather data on commuting patterns, including transport modes, travel frequency, and distance. Surveys should be digital, with dropdowns to improve accuracy and reduce survey fatigue.
- Automatic tracking: Leverage data from parking, carpool services, or internal tracking systems.
- **Sample data:** If surveying all employees is not feasible, use a representative sample to estimate overall emissions.

Once there is a clear picture of what data can be collected, businesses need to select a method to measure scope 3 travel emissions. See Figure 3 to help you identify a fit-for-purpose method. The three main methods of measuring your employee commuting emissions, namely:

- **Fuel-based method**, which involves determining the amount of fuel consumed during commuting and applying the appropriate emission factor for that fuel.
- **Distance-based method,** which involves collecting data from employees on commuting patterns (such as distance travelled, and mode used for commuting) and applying appropriate emission factors for the modes used.
- Average-data method, which involves estimating emissions from employee commuting based on average (such as national) data on commuting patterns.

See how all three methods compare in Table 2 on page 12.

Figure 3. Decision tree for selecting a calculation method for emissions from employee commuting (category 7)



Tailoring business travel questions for better employee survey engagement and accurate carbon footprint insights

Simplifying surveys with conditional logic will enhance user engagement by reducing complexity. This streamlined approach enables businesses to gather more granular data while increasing the likelihood of higher survey completion rates.

To quantify emissions from employee surveys you can follow these steps:

- **A. Collect relevant activity data:** Surveys should collect specific data points about employee travel, such as:
 - **Distance travelled:** Employees should estimate the distance they commute or travel for business, including mode of transport (for example, car, train, bus).
 - **Frequency:** Frequency of travel, such as daily commuting trips or occasional business trips.

- **B. Identify transport modes:** Ask employees about their primary mode of transport, such as:
 - **Private car:** Details on vehicle type, fuel used, and average distance.
 - Public transport: Such as bus, rail, or subway.
 - Active transport: Walking or cycling (this typically has negligible emissions).
- **C. Apply relevant emission factors:** Use emission factors from resources like the GHG Protocol or DEFRA databases to convert activity data into emissions (for example, kg CO₂ per km for specific modes).

Sample employee commuting and work-from-home survey:

Office location and home postcode	 Where is your main office location? What is your home postcode? In the last 12 months, how many weeks have you worked at least one day from home? On average, how many days per week do you work from home?
Understanding your commute and work from home (WFH)	 In a typical working week, how many days do you commute to the office? (Numeric entry) Select the modes of transport you use to commute to the office. (Multiselect: car, train, bus, bicycle, walk, other) For each selected mode of transport, ask the following: On average, how many kilometers do you travel by [selected mode] in a week?
Energy use at home	 Do you purchase 100% GreenPower or carbon-neutral power at home? (Yes/No) Do you have rooftop solar at home? (Yes/No) Do you heat or cool your work space when working from home? How many months throughout the year are you heating and/or cooling your workspace when WFH? - (Numeric entry 1-12) Do you have air-conditioning at home? (Yes/No)
Commute mode- specific questions	 If you selected "car" as a mode of transport: What size car do you drive? (Small e.g. micro and hatchback, Medium e.g. wagon and sedan, Large e.g. SUV) How is your car powered? (petrol, diesel, electric, hybrid) If you selected "motorcycle or scooter": How is your motorcycle powered? (petrol, hybrid, electric)

Table 2: Comparison of methods of measurement for business travel (category 6) and employee commuting (category 7)

Criteria	Fuel-based method	Distance-based method	Spend-based method	Average-based method
Applicability	Business travel (category 6) and employee commuting (category 7)	Employee commuting (category 7)	Business travel (category 6) only	Employee commuting (category 7) only
Identify available data and when to use	 Fuel-based data: Use if detailed fuel consumption records are available, particularly for fleet vehicles. This includes vehicle fuel type and consumption efficiency. Electric vehicles (EVs): Use if data on electricity consumed is available, considering grid emission factors for accuracy. 	 Travel distance data: Suitable for scenarios like air travel, train travel, ferry or rental cars where precise travel distance data is available from booking systems, travel providers, or GPS tracking. Applicable when reliable distance data can be used to determine emissions through standardised emission factors. 	 Financial data on travel costs: Suitable when distance and fuel data are unavailable, but expense records are accessible. Typically used for high- level estimates when detailed primary data is inaccessible. Applies to various modes such as accommodation, flight tickets, Uber/ taxis, and rental car expenses, especially for complex itineraries. 	 Survey-based data: Ideal for estimating emissions related to employee commuting, particularly for scope 3, category 7 emissions. Use when no primary travel data exists but qualitative insights are available. Surveys are useful for understanding commuting habits and business travel that isn't covered by automated tracking.
Activity data required	 Total distance travelled by mode: Information on fuel use in fleet vehicles. Companies need to track total distance travelled and the types of fuel used. Vehicle types: Identifying specific vehicle categories (for example, cars, vans) helps refine emission factors and improve accuracy. Use automatic tracking through travel agencies or internal expense and reimbursement systems to track the distance travelled and fuel type used. 	 Countries and routes: Distance calculations need to consider routes travelled and countries to apply the correct emissions factors. Transportation emission factors vary significantly by country. Annual surveys/ questionnaires: Conduct surveys to gather data on employee travel, particularly for commuting, where direct tracking is not feasible. 	 Cost-based estimates: Ensure costs are categorised appropriately by transport mode (air, train, rental car). Use average costs where detailed records are unavailable. Travel provider's data: Work with travel providers (for example, transportation companies, hotels) to collect GHG emissions data. 	 Average number of commuting days per week and average number of weeks worked per year. Average daily commuting distances of typical employees by mode: Track the distance each employee commutes, segmented by transportation mode (for example, car, bus, train). Frequency of commute: Record how often employees commute to the workplace each week.

Criteria	Fuel-based method	Distance-based method	Spend-based method	Average-based method
Applicability	Business travel (category 6) and employee commuting (category 7)	Employee commuting (category 7)	Business travel (category 6) only	Employee commuting (category 7) only
Factors to consider	 Fuel type and vehicle efficiency: Different fuels (for example, diesel, petrol, biofuel) have unique emissions profiles. Vehicle efficiency (older versus newer vehicles) also impacts emissions. EV charging: Tracking kwh used for charging is necessary; emission factors for electricity generation should be considered. 	 Transport mode and class of travel: Modes such as air, rail, or road have different emission intensities. Flight classes (economy versus business) also affect emissions. Route complexity: Emissions may vary based on layovers or routing efficiency, impacting distance- based emissions. 	 Cost to emission correlation: Costs may not always reflect emissions accurately. Differences in ticket price due to seasonal changes or class upgrades impact correlation reliability. Expense attribution: Ensuring expenses are appropriately categorised can increase accuracy, but variability in pricing can make it challenging. 	 Survey design and frequency: Surveys should use dependent dropdowns to capture consistent data and avoid survey fatigue. The response rate impacts the reliability of the data collected. Subjectivity: Survey responses are inherently subjective and may lead to inconsistent emissions estimates if self- reporting bias exists.
Accuracy level	• High: Provides the most precise measurement when accurate fuel data is available, especially with detailed fuel type and vehicle efficiency data.	 Moderate to high: Depending on the quality of distance data, it can provide a good level of accuracy. Flight routing and other factors may add variability. 	• Low to moderate: Emission estimates based on spend data are prone to inaccuracies because the relationship between cost and emissions is indirect.	• Low to moderate: Due to the subjectivity of survey responses, the accuracy is generally lower and useful mainly for understanding broad trends.
Challenges and limitations	 Data collection: Requires consistent tracking, often posing a challenge for leased vehicles or decentralised fleets. EV grid dependency: Emission factors for EVs depend on the electricity grid's energy mix (renewable versus fossil fuels), which adds complexity. 	 Emission factor standardisation: Variability in standardised emission factors can lead to inconsistencies in emissions estimates. Indirect emissions: Factors like layovers, waiting times, or additional routing can significantly alter emissions but are often overlooked. 	 Generalisation and pricing variability: Variability in travel pricing (due to discounts, timing, region) affects accuracy. Class of travel can significantly affect emissions however may not clearly reflect in costs. 	 Response reliability: Surveys may suffer from low participation rates, and responses can be biased or inaccurate. Survey fatigue: If too complex, surveys risk low engagement and incomplete data, reducing effectiveness
Calculation resources	 <u>GHG Protocol - Emissio</u> for calculating greenhous <u>US EPA Climate Leaders</u> <u>Department for Energy S</u> modes of transport. <u>ICAO Carbon Emissions</u> the International Civil Avi 	ns from Transport or Mobile se gas emissions across vario <u>GHG Inventory Protocol:</u> To Security and Net Zero (UK): Calculator: Allows users to e ation Organisation.	Sources: Free comprehensions sectors, including busine bols for estimating emissions Offers standardised emissio estimate emissions from air	ve resource ss travel. s based on expenses. n factors for different travel, using data from

Reducing business travel emissions

Identified challenges

- Convincing staff to use sustainable travel options, such as public transport, poses a serious challenge. While strict policy can be applied to businessfunded travel, it is much harder to encourage staff to change behaviour patterns relating to their daily home-to-office commute.
- The first step to reducing business travel emissions is to have a strong internal travel policy. Approaching travel approvals on an ad-hoc basis is likely to increase the number of unnecessary approvals and will make tracking individual and department-based travel history difficult.
- Each business may have a differing existing policy, whether explicitly written or informally communicated, relating to carbon offsetting. This would include carbon offsetting partners, airline-based offsetting or no offsetting. Creating a clear policy on when and how to apply carbon offsetting is critical in reducing scope 3 emissions; however, it should only be used as a last resort. Without a strong carbon offset policy, there will be cases where carbon is not offset and cases where it is offset twice (for example, at the time of booking and in retrospect).
- Compared to 2020/21, many Australians are returning to their offices. Most employers require staff to at least spend 2-3 days per week in the office, in both the private and public sector, increasing their overall scope 3 emissions.

Proposed solutions

Transitioning to more sustainable travel and commute practices presents a valuable opportunity for businesses to make a measurable impact on their carbon footprint while fostering a culture of environmental responsibility and engagement.

To address the most pressing challenges identified, businesses need to set clear targets in line with their sustainability strategy and adopt initiatives such as the proposed solutions listed below. From incentive programs that recognise green commuting efforts to strategic policy frameworks that streamline decision-making, these initiatives are designed to support companies in reducing emissions while promoting employee health and wellbeing.

- Sustainable commuting incentives: Rewards from challenges like CitySwitch's 'Small Steps, Big Impact' campaign incentivise employees and encourage positive behaviour change.
- **Corporate ride-hailing accounts:** Streamlining tracking and reimbursements with rideshare platforms like Uber for Business.
- **Policy development:** Guidelines with caps on travel, permission requirements, and recommended modes (for more details, see developing and implementing a policy)
- Virtual meetings: Reducing travel by utilising conferencing tools.

- **Sustainable aviation fuel (SAF):** Prioritising SAFfriendly airlines for mandatory flights
- **EV adoption**: Promoting EVs within the corporate fleet, novated leases, or implementing an EV-only fleet policy.
- Internal carbon pricing (ICP): Setting higher costs for high-emission travel to encourage sustainable choices.
- **E-bike programs**: Subsidising e-bikes or organising "bike to work" events.

Additionally, where air travel is necessary and SAFfriendly airlines are unavailable, businesses can opt for economy or premium economy to reduce emissions by up to three times compared to business class. There are three main reasons why the footprint per traveller per distance travelled is greater for business/ first class than for economy class. First, premium classes seats take up a larger than average floor space in an airplane. In addition, business class or first-class seats are less occupied than economy seats, making them even more carbon intensive. The heavier a plane is, the more GHG emissions it emits.



Adopting EV, managing personal car travel and carpooling

Challenges with carpooling

While carpooling is an efficient way for a company to reduce its scope 3 emissions relating to employee commutes, there are a few challenges that make difficult to use effectively.

- Varying schedules: With flexible hours and WFH, employees often have dynamic schedules which can complicate organising consistent schedules. Unpredictable work obligations such as sudden meetings or overtime can also complicate this.
- **Trust:** Sharing a car requires a high level of trust for safety and reliability.
- **Comfort:** Long commutes are already tiring, and sharing a space with a colleague may not be attractive.
- **Geographical dispersion:** In major Australian cities, those most likely to drive will live in outer suburbs and may not live close to each other. Increasing this already long commute with additional stops would also be undesirable.
- **Personal flexibility:** Many employees use their commute to run errands, pick up children and manage other personal commitments. Carpooling would complicate this.

Solutions to promote carpooling

Some potential solutions to the issues listed above may include:

- **Company-sponsored shuttle services:** For larger businesses, a shuttle service from major residential areas or public transport hubs can reduce solo driving.
- Carpooling apps/ internal carpooling program: An application or internal program that suggests which employees can carpool and on which days based on their schedules may prompt staff to consider it as an option.
- Reward programs for carpool participation: Businesses can introduce points or a rewards system for employees who carpool regularly. These incentives can include gift cards, paid time off, or recognition within the business.
- Flexibility as an enabler: Flexible schedules, when grouped strategically by shared arrival times or designated office days, can make carpooling easier on select days, acting as an enabler rather than a primary solution.
- **Parking incentives or fuel subsidy:** By providing employees with a financial incentive, such as free or discounted parking when carpooling or a fuel subsidy when carpooling, uptake is far more likely.

By implementing these targeted solutions, businesses can significantly reduce the environmental impact of their travel operations and lead by example in the shift towards a low-carbon future. Sustainable travel policies, digital alternatives, and incentivedriven initiatives not only reduce emissions but also promote a workplace culture that values conscious, responsible choices. Small changes in travel habits, supported by clear policies and practical tools, can lead to a substantial collective impact. With these measures in place, companies are well-positioned to contribute meaningfully to their sustainability goals, ultimately enhancing both corporate and environmental resilience.

EV adoption for personal use

For many employees, commuting alone in a car is unavoidable. Encouraging the uptake of electric vehicles can reduce scope 3 emissions without forcing employees to take public transport or carpool when these may be unreasonable options. This can be done through subsidising home-charging installation, providing workplace charging stations and potentially offering subsidies for leasing EVs.

Challenges with EV use

Some challenges businesses have identified with EV use include:

- Charging safety: As EV use grows, safety concerns around charging become more prominent, especially when charging at home. Improper installation of home chargers or overuse of domestic outlets can lead to electrical hazards, including overheating or short circuits.
- **Cost of charging at home:** Determining who covers the cost of charging at home, particularly for employees using company vehicles, can be a challenge. EV charging at home may increase electricity bills significantly, raising questions about reimbursement policies and fair compensation for business-related charging.
- Rural fleet charging constraints: For rural or remote fleet operations, the lack of accessible and reliable EV charging infrastructure can pose significant constraints. Long distance between charging stations and fewer public chargers in these areas make it difficult to rely solely on EVs for rural business needs.

• **High upfront costs:** While EVs may offer lower operating costs over time, the upfront cost of purchasing EVs and installing necessary infrastructure (chargers, software) can be prohibitive for some businesses, particularly smaller ones.

Solutions to promote EV use

Some potential solutions to the concerns outlined above may include:

- Ensuring charging safety: Businesses can implement safety protocols by requiring certified installations of home charging equipment for employees or by offering approved, portable chargers that meet safety standards. Additionally, regular training and safety audits can help ensure safe charging practices at home and in company facilities.
- Developing a home charging reimbursement policy: To address the cost of charging at home, companies could establish a reimbursement policy based on electricity usage for business travel or offer a fixed stipend. This would provide fair compensation and encourage EV adoption without burdening employees with additional costs.
- Enhancing rural charging infrastructure: For rural fleets, companies could invest in mobile charging solutions or work with local governments and utility providers to increase charging access in underserved areas. Partnering with charging network providers to install stations along key routes can help overcome rural charging constraints.
- Exploring financial incentives and phased transition plans: Businesses can mitigate high upfront costs by taking advantage of government grants, tax incentives, and financing options designed to support EV purchases and infrastructure development. Adopting a phased transition plan, where fossil-fuel vehicles are replaced with EVs over several years, can also help spread costs and simplify budgeting.

By addressing these challenges proactively and collaboratively, companies can promote EV use as a sustainable choice for their fleets while supporting employees and ensuring long-term cost efficiency.

Addressing business travel fatigue and productivity

The impact of frequent long-distance travel

Given the geographical location of Australia, frequent long-distance travel is a common challenge businesses face. Long-distance travel can significantly affect employee health, wellbeing and productivity. Common challenges include fatigue, jet lag and stress, which can reduce performance at work and the overall job satisfaction.

Physically, long-distance travel is likely to disrupt sleep patterns and lead to exhaustion due to changing time-zones and potentially uncomfortable travel times outside of standard working hours. It can also cause mental strain, as employees are away from their home and family, and must manage travel logistics moving through airports, stations and cities they are not familiar with. This is likely to create a productivity loss for the business, as employees need recovery time after travel, particularly if their trip is to European, American, African or Middle Eastern destinations.

Balance business needs with emission reduction

While long-distance travel is both inconvenient and environmentally harmful, it is sometimes unavoidable. To strike a balance between achieving business objectives and reducing carbon emissions, the following strategies can be considered:

• Invest in high-quality video conferencing and collaboration software, with sufficient meeting space for employees including individual and small group meeting booths.

 Create a robust travel policy with multi-step approval processes, to ensure only absolutely necessary travel is approved. If the meeting objectives can be achieved digitally, then the trip should not take place. When in-person attendance is necessary, consider reducing the number of employees attending (for example, project manager attends in person, the rest attend virtually).

Figure 4: Productivity vs emissions reduction matrix



Developing and using a travel policy

An effective travel policy does not need to be complicated. To assist businesses, CitySwitch has developed a comprehensive and customisable travel policy template that is available on our website.

Elements of a travel policy

In developing an effective travel policy, there are several core elements that should be considered, including:

- Approval process: A decision tree can provide a summary for managers to understand the approval process based on necessity.
 For an example of what this might look like, see Figure 5 below.
- **Purpose and scope:** Here a definition of the purpose of the document and who it is relevant for should be included.
- **Targets:** This section can simply pull relevant targets from your Sustainability Report across, to provide context for the reader.
- Roles and responsibilities: A clear outline of the roles for each group can be included. This section could be integrated into purpose and scope, depending on how extensive you wish for this policy to be.

- Authorisation to travel: This ties into the approval process, but provides a list of what is required to get a travel request approved. Where the approval process provides context for managers (approving the request), this section should provide context for all employees (making the request).
- Individual transportation guidelines: This would constitute several sections, and is the key "content" within your travel policy. Here, we recommend including a summary, before listing out each transportation method's individual rules and guidelines. Generally, a travel policy should include guidance for flights, active transport, public transport or ticketed rail, rideshares or taxis, vehicle hire, private vehicle usage and company vehicle usage. Refer to the template for further guidance on the layout of this.
- Accommodation guidelines: This section is likely to require more significant tailoring to your business needs. Best practice guidance is provided in the policy template.
- Meals and additional expenses: This should align with your existing travel expenses policy. Linking through to that policy is sufficient for this section.
- Health and safety clause: This short section should acknowledge that employee health and safety takes precedent over sustainable transport.

Additionally, businesses can also consider the following, noting that it may differ from business to business and may not always be relevant to your business:

- Background of travel emissions: Provide background and context on climate change to help employees understand the purpose of the policy. This section can be informative at the start of the policy, or within 'purpose and scope' as a subsection.
- Caps and permissions: This section may provide additional an additional framework to meet the business emissions reduction targets.
 Implementation would require consideration of how travel needs may differ between departments.

Approval process decision tree

Figure 5. Policy development workflow

- **Reimbursement for sustainable travel:** While all approved travel should be reimbursed, where an employee opts for a more sustainable option, incentives could be offered.
- Carbon offsetting programs: Where sustainable travel and accommodation options are not possible, businesses can consider procuring credible carbon offsets as a last resort. Carbon offsetting should not be considered a primary solution for reducing travel emissions. For more details on carbon offsets, see 'Offset emissions' on our website.



Developing your travel policy

What might a travel policy look like?

An example of the active transport section of a travel policy:

Active transport, such as walking or cycling, is encouraged for short-distance travel. This option not only helps reduce emissions but also promotes employee health and wellbeing. Where active transport is a viable option, employees are encouraged to consider it as a preferred mode of travel for journeys under 5 km, particularly in urban areas or where suitable infrastructure exists.

For businesses with access to facilities like bike storage and end-of-trip facilities, employees are encouraged to choose active transport. When travel by active transport is impractical due to distance or safety concerns, employees should consider public transport or other low-emission options as alternatives.

Framework for developing a travel policy

To provide a structured approach for drafting, implementing and monitoring a travel policy, please refer to Figure 6. Figure 6. Policy development workflow



Setting metrics and targets for travel emissions

Setting metrics and targets to reduce travel emissions should be a critical component of a robust sustainability strategy, allowing businesses to track, manage and reduce their scope 3 travel emissions. These metrics and targets provide clear benchmarks for progress, ensuring accountability and encouraging continuous improvement.

Examples of what travel emissions reduction targets might look like:

- Percentage reduction in total travel-related CO₂ emissions per year
- Percentage shift from total air travel to virtual meetings per year
- Distance travelled by carpooling per year
- Percentage of public transport used per year
- Percentage of EVs in corporate fleet

Globally, several companies have set specific and measurable corporate travel reduction targets as part of their sustainability strategy and efforts to achieve their net zero commitments. For example:

Microsoft

- **Target:** Reduce business travel emissions by 50% by 2030 from its 2019 baseline.
- Initiative: Investing in SAF and prioritising virtual collaboration to reduce the need for air travel.

Salesforce

- **Target:** Reduce business travel emissions per dollar of revenue by 50% by 2030 from its 2019 baseline.
- Initiative: Leveraging technology to replace in-person meetings with virtual alternatives and encouraging low-emissions travel options for necessary trips.

Zurich Insurance Group

- **Target:** Reduce air travel by 70% from pre-pandemic levels.
- Initiative: Transitioning to virtual meetings, limiting non-essential travel, and prioritising sustainable travel methods for necessary trips.

HSBC

- **Target:** Reduce air travel emissions by 50% by 2030 from its 2019 baseline.
- Initiative: Replacing short-haul flights with rail options where feasible and implementing an internal carbon price to encourage sustainable travel decisions across its offices.

These targets represent a combination of absolute reductions, per-employee or per-revenue metrics, and shifts toward lower-carbon travel options. They highlight a broader trend where companies are setting specific, measurable goals to make corporate travel more sustainable and align with their overall carbon reduction commitments.

Monitoring, reporting and compliance

Critical to reducing travel emissions and aligning business practices with evolving regulatory requirements. With the growing urgency to address climate impacts, Australia's mandatory climate-related financial disclosures begin 1 January 2025. Consequently, it is vital businesses ensure transparency, accuracy, and accountability when reporting emissions.

" Companies should be considering and putting into place the systems, processes and governance practices that will be required to meet new climate reporting requirements and adopt the necessary practices to avoid greenwashing. Doing this now will allow the best transition – and it will provide a surer foundation for a more profitable business – because a compliant business is a profitable business."

Jo Longo, Chair ASIC (Keynote speech April 2024)

What does ASRS and AASB S2 non-compliance look like?

The non-compliance penalties under ASRS and AASB S2 closely mirror financial reporting penalties under the Corporations Act. Directors may face personal liability for misleading statements in Sustainability Reports due to a lack of due diligence, and false or misleading climate statements could result in penalties up to \$15 million or 10% of yearly turnover.

Complying with mandatory reporting requirements

To comply with new rules in line with the mandatory Australian Sustainability Reporting Standard (ASRS) AASB S2, both large listed and private companies and financial institutions, are required to assess and disclose information about their climate-related risks and opportunities in their sustainability report, including scope 3 emissions. However, ASRS and AASB S2 allows for a 1-year relief for reporting scope 3 emissions, which means reporting scope 3 emissions will be mandatory from businesses' second reporting period.

Whether your business falls under group 1 (starting from 1 January 2025), subsequent groups 2 or 3, or is voluntarily reporting to align with stakeholders who must report, the ASRS will impact your business.

Monitoring travel emissions

To effectively monitor travel emissions, appointing a dedicated individual or team responsible for data collection and accuracy is essential. This role involves regularly gathering relevant data, such as travel invoices, fuel receipts, and records from transportation providers, as well as coordinating employee surveys to capture details of commuting and travel habits. This individual should ensure surveys are distributed periodically and employ strategies to maintain high engagement—such as reminders and incentives for completion—so that data reflects actual employee travel patterns. By centralising responsibility, the organisation can achieve more accurate and consistent emissions tracking, laying a solid foundation for reliable reporting and effective emissions reduction efforts.

Reporting progress and ensuring accountability

Clear, transparent and periodic communication about travel emissions reduction is essential for maintaining stakeholder trust and driving ongoing improvement. The designated individual or team should share updates on emissions reduction efforts with both internal and external audiences, using ASRS and AASB S2-aligned reporting to underscore your business's commitment to sustainability.

Internal reporting channels

Create regular internal reports that monitor and document travel emissions data, charting progress toward reduction goals. These reports foster accountability across the organisation and support a culture of sustainability by providing clear, accessible updates that encourage teams to adopt low-emission travel options.

Annual sustainability reports for external stakeholders

For external reporting, include a dedicated section on travel emissions reduction within your annual sustainability report. This section should detail achievements against targets as well as challenges and corrective actions.

Communicating the financial benefits, such as cost savings from reduced travel and productivity gains from virtual meetings, reinforce the value of sustainable travel practices and demonstrates the business's commitment to meaningful environmental stewardship whilst ensuring compliance with the ASRS and AASB S2 standards.

Frequently asked questions

1. What are scope 1, 2, and 3 emissions from business travel, and why do they matter?

Scope 1 emissions are from company-owned vehicles. **Scope 2** relates to emissions from energy used for electric vehicles. **Scope 3** encompasses emissions from activities not directly owned, such as flights, car rentals, commuting, and hotel stays. Understanding these helps companies effectively reduce their carbon footprint and meet sustainability targets.

2. Why is it important to have a travel emissions policy?

A travel emissions policy provides a structured approach to minimising emissions. It promotes sustainable travel practices, sets caps on highemission activities, aligns travel decisions with sustainability goals, and helps reduce the organisation's scope 3 footprint.

3. What are the most effective ways to reduce emissions from business travel?

The most effective ways include substituting travel with virtual meetings, promoting public transport and carpooling, and integrating electric vehicles (EVs) into the fleet. Additionally, using Sustainable Aviation Fuel (SAF) for flights and adhering to travel policies that prioritise low-emission options can further reduce emissions.

4. How can Sustainable Aviation Fuel (SAF) contribute to reducing emissions, and is it practical?

SAF is a cleaner alternative to traditional jet fuel, significantly reducing lifecycle emissions. However, its practicality is limited due to high costs and low availability. SAF is ideal for businesses committed to reducing emissions from essential air travel but should be part of a broader sustainability strategy.

5. How do we determine if a business trip is necessary or if it can be replaced with a virtual meeting?

Use a **decision tree** to determine if travel is essential. Criteria may include the objective of the meeting, relationship-building needs, and potential outcomes. For routine updates, virtual meetings are more appropriate, while in-person meetings should be reserved for crucial client engagements or project milestones.

6. What are the key methods for calculating emissions from business travel?

There are three primary methods:

- **Fuel-based method:** Uses fuel consumption data, ideal for company-owned vehicles.
- **Distance-based method:** Uses distance travelled (for example, air, rail) multiplied by emission factors.
- Spend-based method: Relies on financial data for travel costs when detailed activity data isn't available.

Each method has its advantages based on data availability and accuracy requirements.

7. How can employee surveys help in quantifying travel emissions?

Employee surveys are used to collect data on commuting patterns or untracked travel, especially for scope 3 category 7 (employee commuting). This method is particularly useful for capturing qualitative data and filling in gaps when direct data isn't available.

8. Should companies consider offsetting their business travel emissions?

Offsetting is a useful tool to compensate for unavoidable emissions. Companies should prioritise reducing emissions at the source first and use verified offsets (for example, Gold Standard, ACCUs) as a last resort for any residual emissions.

9. How does the choice of travel class affect emissions, and what should be considered?

Business and first-class travel produces higher emissions per passenger compared to economy class due to larger space per seat and lower occupancy rates. To reduce emissions, companies should prioritise **economy class**, especially for shorter flights.

10. What are the challenges and benefits of carpooling for commuting?

Challenges include varying schedules, trust, and convenience issues. However, benefits include reduced emissions and cost savings. Solutions like **company-sponsored carpool programs** and **parking incentives** can promote adoption.

11. How does Electric Vehicle (EV) integration help in reducing emissions from business travel?

EVs are highly effective in reducing scope 1 emissions, particularly for local and regional travel. Companies can support this transition by providing **charging stations**, subsidising **home charging**, and offering **novated leases** for EVs. 12. How can we manage the impact of long-distance travel on employee wellbeing and productivity?

Frequent long-distance travel affects health and productivity due to fatigue and stress. **Strategies** include limiting travel to essential trips, using **high-quality virtual conferencing tools**, and implementing **flexible recovery periods** post-travel to improve wellbeing.

13. How do work-from-home (WFH) policies impact travel emissions?

WFH policies reduce daily commuting emissions but may increase remote travel needs for meetings. Clustering meetings to reduce travel frequency and encouraging the use of **regional collaboration hubs** are effective strategies to manage this balance.

14. How do we ensure that business travel emissions are accurately monitored and reported?

Businesses need a robust **data collection process**, including automated tracking, surveys, and working with travel providers. Periodic monitoring, led by a designated team or individual, ensures data accuracy, compliance, and alignment with sustainability goals.

15. What are the benefits of implementing an internal carbon price for business travel?

An **internal carbon price** assigns a cost to carbon emissions from business travel, encouraging departments to make **sustainable travel decisions**. High-emission travel, such as business flights, would be more costly, incentivising employees to opt for alternatives like virtual meetings or loweremission travel modes.



Thanks for caring about our environment, climate action and our community.

If you have any questions, get in touch with us by emailing cityswitch@cityofsydney.nsw.gov.au