# An open-source guide for tour operators to set a science-based target

How to measure and reduce carbon emissions and why offsets are not enough

TOURISM DECLARES CLIMATE EMERGENCY

Intrepid

# Contents

# Foreword

The tourism industry has a front-row seat to the climate crisis unfolding in many iconic areas and destinations across the globe.

At the same time, before Covid-19 hit, tourism was a major contributor to global emissions – contributing eight per cent of global greenhouse emissions. Pre-pandemic tourism also supported 1 in 10 jobs globally and the industry was growing strongly – by four per cent in 2019, outstripping global GDP growth.

The pandemic means it's now a very different picture for tourism and we believe this period is an opportunity for the industry to redefine itself, and take real action on the greatest challenge our world faces – climate change.

Since 2020, many governments and companies, across a range of industries, have made climate action commitments. However, the scale of structural change required to limit global warming to 1.5°C world requires everyone – countries, cities, the private sector, individuals —to step up action, without delay.

***UN Secretary-General António Guterres noted: nature is striking back – and with growing force and fury.***

The sooner businesses start working on structural changes and an emissions trajectory in line with a 1.5°C world, the more beneficial the changes to the business. Ambitious targets do not hinder business; science based GHG emission reduction targets help drive innovation and real operational emission reductions.

The IPCC's Sixth Assessment Report published in August 2021 represents the most comprehensive report on climate change in the UN's history. In a nutshell, it tells us: it is unequivocal that human influence has warmed the atmosphere, ocean and land.

Based on the most up to date scientific evidence, it shows that climate change is here, and getting worse faster, posing an immediate threat.

We all know the magnitude of the problem and the good news is that we have the solutions available to us.

By working together, sharing knowledge and experience, we believe all tour operators can take a science-led approach and make a real difference to the future of the planet – and our industry.

This guide is intended to help businesses start on their carbon journey to account for their impact on the environment. It is not a one-size fits all solution and every business type.

However, climate change is a collective responsibility and we hope you find this blueprint valuable.

**Darrell Wade**
Co-founder and Chairman
Intrepid Travel

# Meet the contributors

**Dr Susanne Etti**

*Environmental Impact Specialist, Intrepid Travel - Author*

Susanne leads Intrepid's climate action work, including carbon performance, reporting and transitioning the business to the low-carbon economy. Susanne has extensive experience with over 20 years in the field of climate change and sustainability. She previously worked in consultancy roles and supported clients in thought leadership, external disclosures, and building corporate sustainability programs. She has also assisted companies in developing GRI sustainability reports, become listed on the Dow Jones Sustainability Index, develop Sustainability Strategy, and assess climate change risks and opportunities.

intrepidtravel.com

**Jeremy Smith**

*Co-founder, Tourism Declares a Climate Emergency – Editor*

Jeremy is a writer, speaker and sustainable tourism consultant who, along with Alex Narracott, established Tourism Declares a Climate Emergency. They were inspired by the Climate Emergency Declarations taking place in other sectors and felt there was the need for a tourism-specific declaration that brought together organisations and individuals from across the industry under a common goal. Since being founded in early 2020, Tourism Declares has grown to include nearly 400 members globally.

tourismdeclares.com

ndevr environmental

Ndevr Environmental is a climate change and human rights advisory firm, focused on accelerating the economy's transition to a sustainable, net zero future. For over 10 years, Ndevr Environmental has partnered with businesses and governments, to provide innovative solutions to meet emerging challenges, and relentlessly pursue the transformation of commitment into action – to create real and meaningful impact. Accessible, expert and reputable. Ndevr Environmental is a team of diverse specialists, not generalists and they practice what they preach. Ndevr Environmental is a proud certified B Corporation® since 2017 and is certified carbon neutral under the Australian Government's Climate Active program since 2017. Ndevr has been assisting Intrepid Travel in the development of its GHG account and science-based target since 2018.

ndevrenvironmental.com.au

# Introduction

## About Intrepid Travel and Tourism Declares

Intrepid Travel knows the benefits of taking action on climate change.

The global tour operator – the largest adventure travel company in the world – was founded in 1989 on the idea that a travel company should give back to the places and people it visits. Its vision is to 'Change the Way We All See the World'. That long-term vision means the company is committed to responsible business practices that create value for all stakeholders – including the environment.

Intrepid Travel's leadership has been concerned about climate change for nearly two decades. The company's journey started in 2005 when a group of senior managers read The *Weather Makers* by Tim Flannery about the history and future impact of climate change. Acknowledging that travel is a significant source of global carbon emissions, Intrepid Travel created a carbon management program and became the largest carbon neutral travel company in 2010.

Since then, Intrepid Travel has been compiling an annual greenhouse gas (GHG) inventory and offsetting its annual emissions footprint through purchasing and retiring international carbon credits. Until 2017, this process followed the global GHG Protocol. In late 2018, Intrepid Travel revised its methodology in line with Climate Active Carbon Neutral Standard (the Standard), former National Carbon Offsetting Standard, to seek carbon neutral certification under the Australian Government's Carbon Neutral Program, starting the next chapter in its carbon neutral journey.

However, being carbon neutral is no longer enough.

So, in January 2020, Intrepid Travel declared a climate emergency with Tourism Declares, a global collective of tourism businesses, organisations and individuals who have pledged urgent action on climate change. As part of its declaration, Intrepid Travel published its seven-step Climate Commitment Plan, which included its commitment to science-based targets.

In September 2020, the company became the first global tour operator to have verified science-based targets that science says are required to limit global warming to 1.5°C.

## The Science Based Targets initiative (SBTi)

The SBTi brings together the United Nations Global Compact, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and CDP Global, a non-profit that helps companies disclose their environmental impact. This partnership is on a mission to end corporate “greenwashing” — dubious or unverifiable sustainability claims by companies to brandish their image. Instead, SBTi provides a way to verify and measure businesses’ true progress.

SBTi aims to persuade businesses to reach the targets set in the 2015 Paris Agreement, confirm that their claims are legitimate, and measure whether they follow through. If successful, a brand will receive SBTi-validation.

In the travel world, Intrepid Travel became the first tour operator with SBTi-verified GHG emissions reduction targets in 2020, showing how travel companies can have a measurable impact and avoid greenwashing. Many large hospitality businesses have made similar pledges, including another B Corps such as Legacy Resorts and hotels, including Hilton and InterContinental Hotels Group.

SBTi offers comprehensive guidance to assist companies in the process of setting a science-based target. Many sectors also have sector-specific guidance and requirements, however due to the heterogeneity of the tourism sector spanning accommodation, destinations, tour operators to mention a few, there is currently no sector specific guidance for the sector. Although there is no framework for tour operators to set science-based targets to align activities with the Paris Agreement, Intrepid Travel was still able to set a science-based target, joining companies from nearly 50 sectors.

SBTi has a range of resources to support business in choosing the best target-setting approach and method for their business.  Recognising the current lack of frameworks for tour operators to set science-based targets, this blueprint guide provides guidance on Intrepid Travel’s approach and method in setting a science-based target. The aim is to inspire and support tour operators across the globe to take the important step to reduce their emissions based on science and at a rate that is needed for a 1.5˚C future.

As businesses take stock, revamp their strategies and respond to changed investor expectations, now is the time to align Covid-19 recovery plans with pathways for a low carbon economy.

So, no matter where you are on your climate journey, take the next step to translate your commitment into action.

# Why should businesses reduce emissions?

The world's leading climate science authority, the ***Intergovernmental Panel on Climate Change (IPCC)*** highlighted the risks to people and natural systems associated with warming are substantially lower at 1.5˚C than 2˚C.

For example, half a degree Celsius warming will reduce the number of people exposed to climate-related disasters and susceptible to poverty by up to several hundred million by 2050.

A 1.5°C world is still technically possible but it will require "rapid, far-reaching and unprecedented changes in all aspects of society".

And these changes are required as soon as possible – global emissions need to fall by 45 per cent by 2030 and reach 'net zero' around 2050 (from 2010 levels).

Business – including travel and tourism businesses – have a key role to play. The world's leading corporate sustainability body, the UN Global Compact (Intrepid Travel has been a signatory since 2008), has called for its signatories to step up climate action and commit to setting science-based targets aligned with limiting global temperature rise to 1.5°C above pre-industrial levels.

# Why is (net) carbon neutrality not enough?

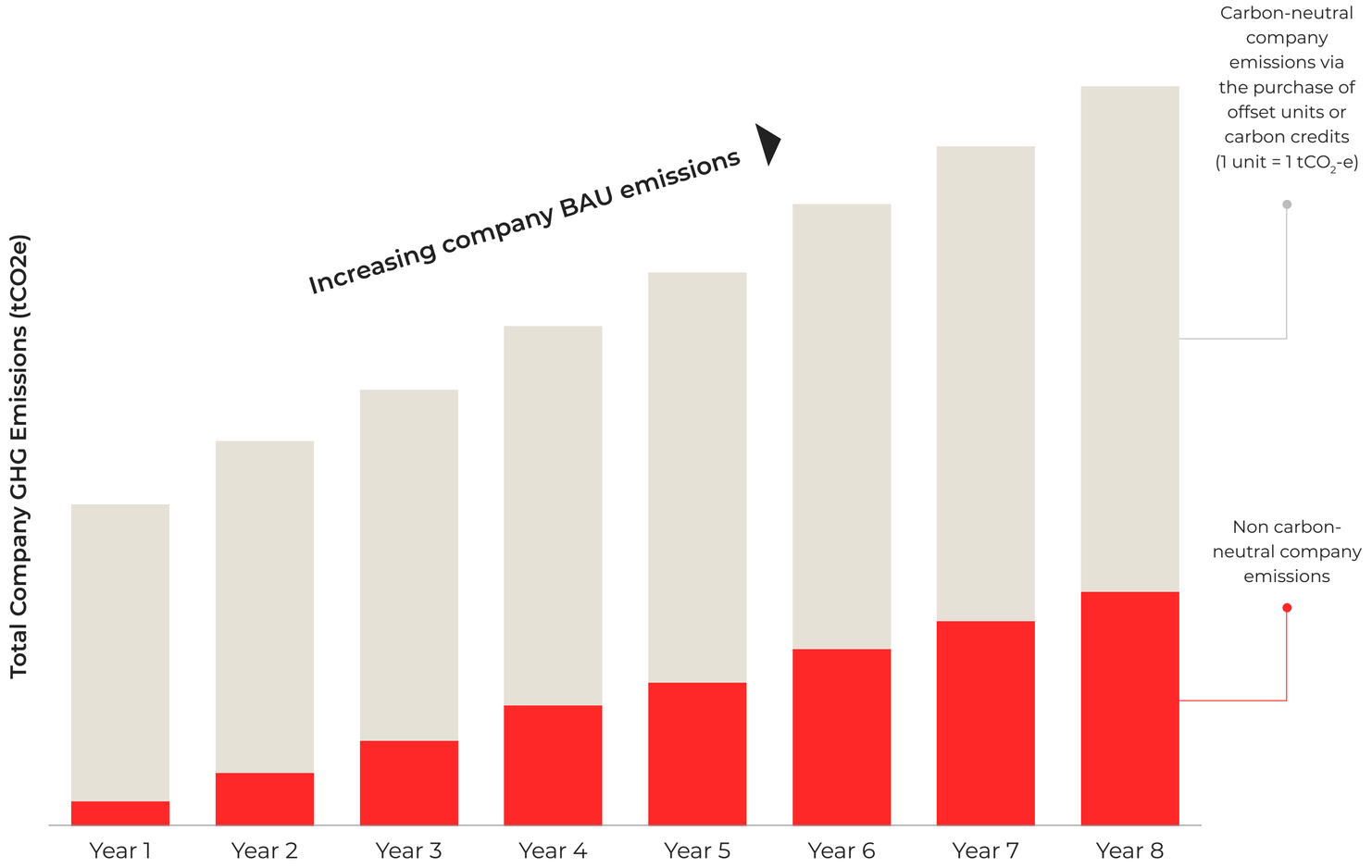
Carbon offsets allow a company to offset their emissions by purchasing carbon credits, which are from projects that have sequestered carbon.

Carbon neutrality via the purchasing of carbon credit units, which compensate for the company's GHG emissions from its operations, will not be enough going forward.

Plus, purchasing offsets is unlikely to remain a financially viable option for much longer. Most projections forecast shortages of units in the market and steep increases in costs per unit, up to US$100 per tonne. This means that the earlier businesses start working on structural changes and an emissions trajectory in line with a 1.5°C world, the less disruptive and more beneficial the changes to the business practice will be.

The standard science-based target approach does not allow for the use of carbon offsets as the ultimate goal is to reduce emissions over the target period. This is why setting a science-based target is the gold standard of corporate action on climate change. GHG emissions generated by the company are committed to being reduced, by implementing changes and investing in technologies, which will decarbonise the company's operations.

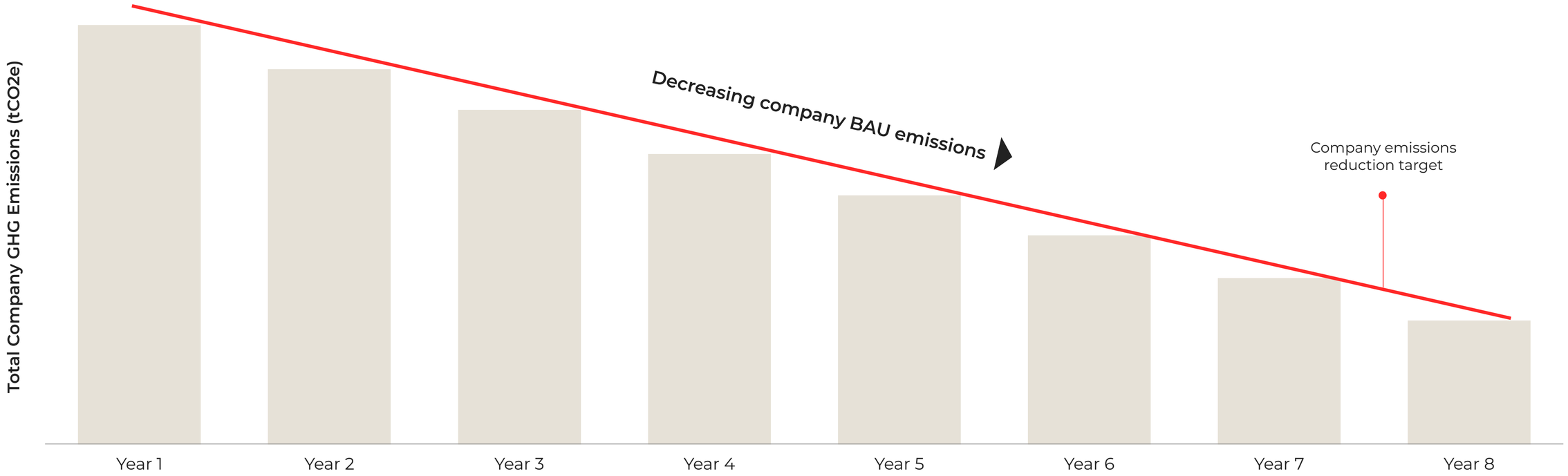
**The below infographic demonstrates that even though offsets compensate for a company's business-as-usual (BAU) greenhouse gas (GHG) emissions, they alone do not result in actual emissions reductions for the company over time.**



# Emissions reductions targets explained

In line with climate projections and explicit warnings from the scientific community to limit global warming to 1.5°C degrees, companies are increasingly expected to set emissions reductions targets in-line with climate science and achieve emissions reductions in company operations and the wider value chain, through meaningful actions and investments.

**The power of setting a company emissions reductions target is shown here.**



# What is the Science Based Target initiative (SBTi)?

SBTi brings together the United Nations Global Compact, the World Resources Institute (WRI), the World Wide Fund for Nature (WWF), and CDP Global, a non-profit that helps companies disclose their environmental impact. SBTi provides a way to verify and measure businesses' true progress.

SBTi defines and promotes best practice in science-based target setting with the support of a Technical Advisory Group and offers resources, workshops and guidance to reduce barriers to adoption. The initiative independently assesses and approves companies' targets. It also showcases companies that set science-based targets to highlight the increased innovation, reduced regulatory uncertainty, strengthened investor confidence and improved profitability and competitiveness generated by science-based target setting.

## What are science-based targets?

Science-based targets are greenhouse gas emission reduction targets that are informed by independent climate science. These transparent targets ensure a company's emissions are in line with the 2015 Paris Agreement on Climate Change when 195 of the world's governments committed to prevent the worst effects of catastrophic climate change by limiting average global temperature increases this century to well below two degrees Celsius. They also agreed to pursue efforts to limit temperature increases to no more than 1.5°degrees Celsius above pre-industrial levels.

Of course, companies' operations, and therefore emissions, take place within these countries. So setting high ambition targets at a company level helps governments to see the art of the possible, and sends a clear signal that businesses want to work with governments to achieve this stretching but necessary goal.

The change has already begun, and action is gaining pace. More than 1,000 companies worldwide are leading the zero-carbon transition by setting emissions reduction targets through the SBTi.

You might be asking how science-based targets differ from other types of sustainability targets that a business might work towards?

Science-based targets focus purely on greenhouse gas emission reduction. The targets are based on current climate science and projections of what is known as the 'emissions budget' – the emissions permitted that will keep climate change within the limits set by the Paris Agreement. It means targets are led by science. It is about doing what is necessary, not what is easy or convenient.

## What are the benefits of setting science-based targets?

For the environment, science-based targets set long-term, consistent targets. They avoid the risk of a change in management or business priorities over-riding a company's ambitions on climate change.

There are clear benefits for businesses, too. Setting science-based targets is a powerful way for companies to boost their competitive advantage in the transition to a low-carbon economy by ensuring that they are not exposed to regulatory pressures of carbon prices, which are expected to rise over time. They also add transparency and external credibility to internal sustainability goals.

Setting a science-based target provides Intrepid Travel with a range of benefits. The company knows this is the right thing to do for the planet, but it also knows it will drive innovation and provide a competitive advantage. These sorts of commitments provide stakeholders and the wider business community an indication of where the business is going in the future.

# Benefits of Setting Science-Based (SBT) Targets

## Manage the carbon liability

Considering the ambitious Paris Agreement and a growing momentum for countries to accelerate their climate commitments, Intrepid's carbon footprint could become a financial liability over time.

## Manage regulatory climate risks

Regulators worldwide and including Australia have expressed the need for companies to manage their exposure to climate-related financial risks and for directors to exercise their duty of due care and diligence. Having a SBT in place before regulation comes into force will help Intrepid navigate and manage the climate risk landscape as it is expected to be common business practice beyond 2022.

## Demonstrate industry & climate leadership

Take industry leadership for travel operators and lead the way in understanding, improving and innovating for sustainable tourism.

An SBT will also aid in future B Corp membership assessments, where it will allow more points to be attained, shows how Intrepid has improved, and presents a tangible demonstration that the executive team takes informed decisions considering all stakeholder interests.

## Strengthen investor / stakeholder confidence and credibility

By aligning post-2020 emission reduction targets with the Paris Agreement and a 1.5°C degree world, Intrepid can future-proof its strategy in a changing political environment on a federal level and demonstrate true climate leadership.

## Be innovative

Intrepid is a carbon neutral company. Instead of purchasing carbon offsets on the market however, costs savings from operational efficiency gains could be used to fund further improvements perpetually (as the demand for offsets decreases over time, Intrepid has the option to use these savings for additional reduction initiatives, perpetually increasing its operational efficiency and decreasing the carbon intensity of its operations.)

For example, by implementing technically and commercially viable initiative now (e.g. renewable energy to bring down Scope 2), we can deploy costs saving to find and support initiatives for issues that still need a breakthrough.

# Why measure emissions?

The first step of any carbon management strategy is for organisations to account for the GHG emissions generated by their activities, such as fuel or electricity use and travel. But how do companies start to understand their current situation? Measuring carbon emissions is not an easy task.

Identifying and quantifying $CO_2$ emissions helps to identify excessive energy usage or other inefficiencies. Lowering GHG emissions goes hand in hand with increasing efficiency and cost-effectiveness.

In addition to cost savings, measuring and reducing carbon emissions helps enhance a brand. Customers, whether companies or individuals, care about who they do business with and look for products and services from environmentally responsible companies. Also, employees are also attracted to companies that are environmentally aware.

On the investor side, there is increasing sustainability awareness and investors consider 'ESG' – environmental, social and governance – information when making investment decisions as well as assessing climate risk. Furthermore, having an SBT sits within the 'Metrics and Targets' pillar of the Task Force on Climate-related Financial Disclosures (TCFD) framework, which is standardising corporate reporting of climate-related financial risks and opportunities.

## How to measure emissions?

Carbon accounting has the following objectives:

- help organisations prepare a true, fair account of emissions
- simplify and reduce the costs of compiling an inventory
- assist businesses and governments in managing and reducing emissions
- facilitate participation in GHG programs
- increase consistency and transparency in GHG accounting and reporting

> ***You can't manage what you don't measure***
> – Peter Drucker

A note on terminology – the terms of 'carbon accounting' and 'GHG accounting' is often used interchangeably. Even though Intrepid Travel accounts for all seven GHGs during the accounting process, each with their own respective global warming potentials, all seven gases are brought back to the common unit of 'tonnes of carbon dioxide equivalent' (tCO2e). This is why sometimes you hear the term 'carbon footprint' of a product or organisation, but in reality the GHG accounting has been brought back to the common unit of tCO2e for ease of comparison.

In addition, while carbon dioxide has the lowest global warming potential compared to the other six GHG, it is the most abundant greenhouse gas in terms of atmospheric presence, which is why it forms the common unit in GHG accounting.

In this guide, the phrase 'GHG accounting' is used.

### 1. Set a base year

GHG accounting is conducted on an annual basis, where emissions are first measured (i.e., in order to establish the inventory base year) and then measured year on year going forward for comparison and progress tracking. The time period selected for the GHG inventory can be calendar year, financial year, or other set periods such as quarterly reporting.

If significant changes are made to the business such as mergers or acquisitions, or significant changes in the calculation methodology of the GHG inventory over time, then this may trigger a recalculation of the base year.

## 2. Emission boundaries

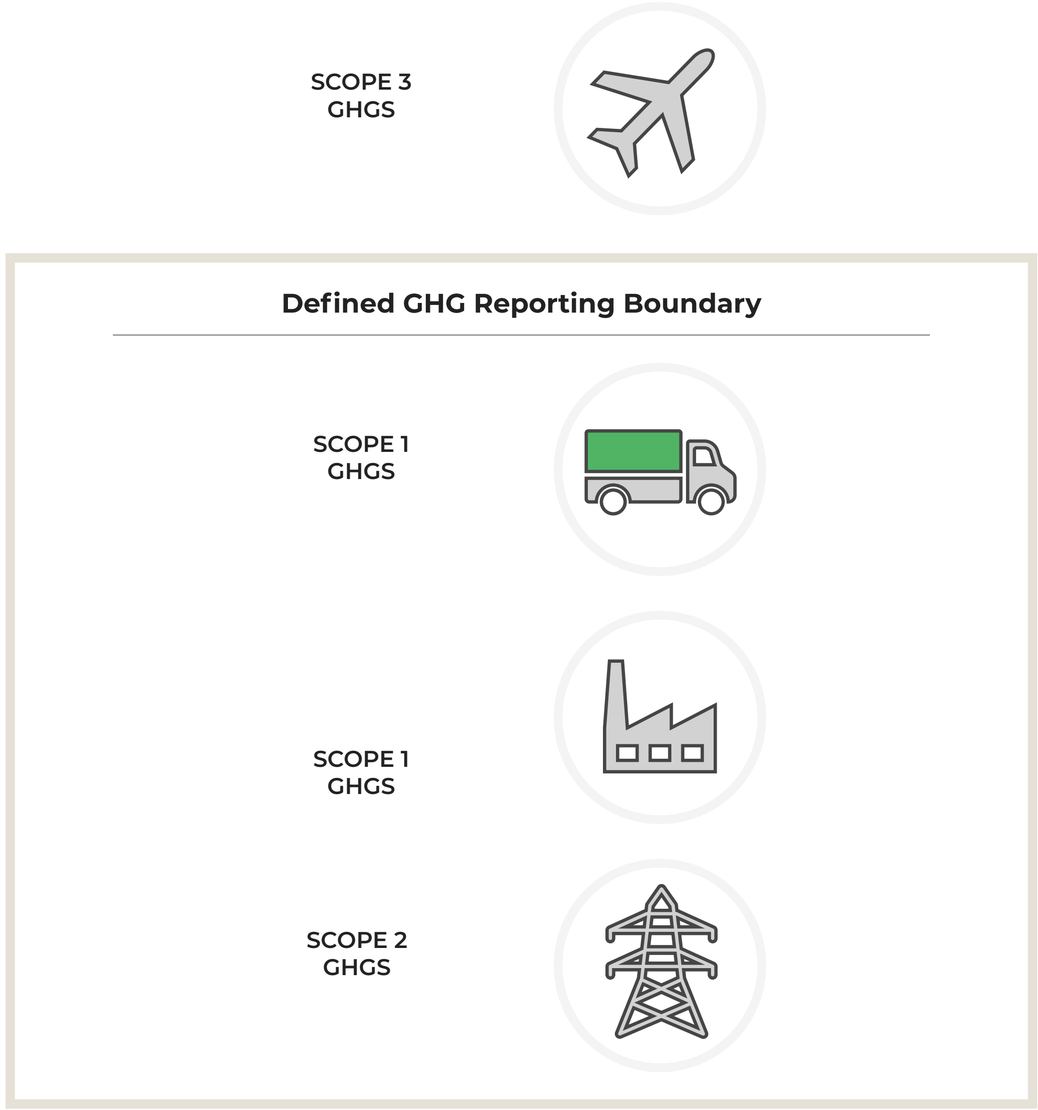
The first step in GHG accounting is to define the boundary of the GHG inventory. These are imaginary lines encompassing the emissions to include in an organisation's GHG inventory. There are organisational boundaries which determine which company operations to include, and operational boundaries which determine which emissions sources to include and how to categorise them.

Using the guidance as set out by the GHG Protocol's Corporate Accounting and Reporting Standard, there are three distinct consolidation approaches for setting the boundary. These are the:

- Equity share approach
- Operational control approach
- Financial control approach

The most common consolidation approach is that of 'operational control', that is, the controlling corporation has the full ability to introduce and enforce operating policies and procedures at the facility, office or operations location. If a company has operational control, then it is responsible to account for 100 per cent of the GHG emissions from that facility, office or operations location.

Intrepid Travel's GHG inventories are consolidated using the operational control approach. The GHG inventory boundary is drawn by asking "what does Intrepid Travel control and not control in its operations?". Based on the answers to these questions, the GHG inventory boundary is drawn and subsequent emissions scopes (1, 2 or 3) are determined.

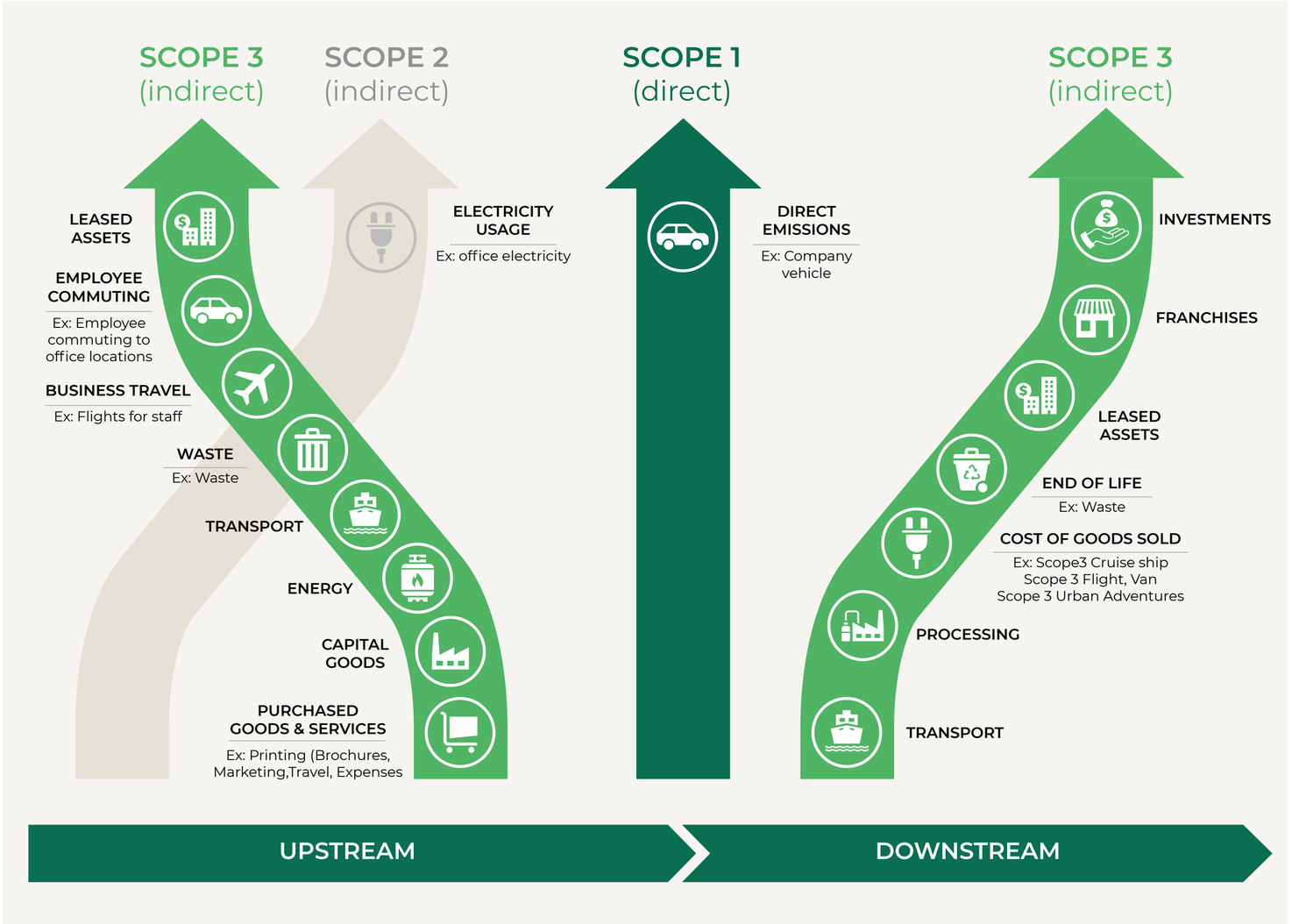


## 3. Scope 1, 2 and 3 emissions

There are different sources for GHG emissions – for example, for running an office, it includes (water usage in kitchen/restrooms, electricity, waste, business flights, printing brochures).

Emission sources from an organisation's activities are divided into three sources or "scopes". These are:

- **Scope 1** — This covers the GHG emissions that a company makes directly — for example while running its boilers and vehicles.
- **Scope 2** — These are the emissions it makes indirectly – like when the electricity or energy it buys for heating and cooling buildings is being produced on its behalf.
- **Scope 3** — Now here's where it gets tricky. In this category are all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers, and from its products when customers use them. This includes business travel, employee commuting, leasing of assets i.e. cruise ships, flight within trips, transport of goods i.e. outsourcing laundry. Laundry associated emissions can make up a significant portion of a hotel's overall emissions. Scope 3 is nearly always the big one.



Intrepid Travel accounts for emissions from its adventure tours to over 130 countries (pre-pandemic) to all seven continents – implementing one of the most comprehensive geographical coverage under Australia's Climate Active Carbon Neutral Standard for carbon neutrality of its range of tours, trips, offices and other travel experiences.

The Climate Active initiative and Climate Active Carbon Neutral Standard supports and guides businesses as they account for and reduce carbon emissions. The Climate Active stamp helps the community take action by making it easier to identify and choose brands that are making a real difference. It's about making good decisions today, for a more sustainable tomorrow.

Intrepid Travel's boundary for the Organisation Standard includes emissions from corporate business activities (including employee commuting for the first time in CY2019) and all customer-facing brands (B2C) across global offices.

| QUANTIFIED | NON-QUANTIFIED | EXCLUDED |
|---|---|---|
| • Air transport (km)<br>• Carbon neutral products and services<br>• Electricity<br>• Employee commuting<br>• International electricity<br>• Land and sea transport (fuel)<br>• Paper<br>• Stationary energy<br>• Waste<br>• Water<br>• Working from home | • Refrigerants<br>• Office equipment<br>• Office repairs and maintenance<br>• Mailing services<br>• Cleaning services<br>• Other consumables (besides paper): office and desk accessories<br>• Food & catering | • Marketing & brochure costs (printing and marketing)<br>• IT expenses<br>• Business travel: non-company owned vehicles<br>• Recruitment & training<br>• Telecommunications<br>• Consulting services<br>• Business travel - accommodation* |

** Included in Intrepid's Service Climate Active certification*

| | ATTRIBUTABLE PROCESSES | | NON-ATTRIBUTABLE PROCESSES |
|---|---|---|---|
| **UPSTREAM EMISSIONS** | **TOUR ADMINISTRATION***<br>• Tour marketing and advertising<br>• Booking and payment systems<br>• Tour information materials<br>• Other<br><br>**TOUR LEADERS**<br>• Transport to tour location | | **CUSTOMERS**<br>• Transport to tour location |
| **INTREPID TRAVEL** | **TOUR**<br>• Tour transport<br>• Electricity used in tour accommodation<br>• Tour waste | **EXCLUDED EMISSION SOURCES**<br>Accommodation:<br>• Natural gas<br>• Water usage<br>• Refrigerants | **NON-TOUR (OPTIONAL) ACTIVITIES**<br>• Transport<br>• Waste |
| **DOWNSTREAM EMISSIONS** | **TOUR GUIDES**<br>• Transport home | | **CUSTOMERS**<br>• Transport home |

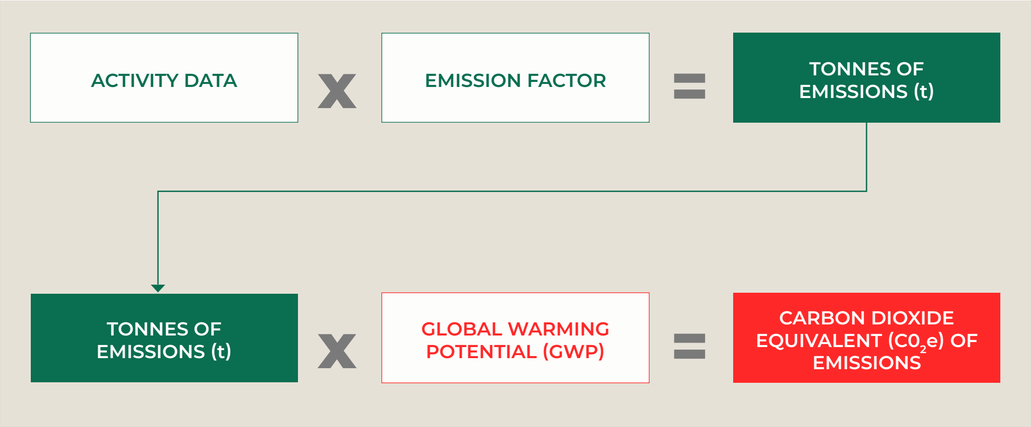
**Refer to listed organisational emissions sources included in Intrepid's Climate Active Organisation Certification*

*On the one hand, attributable processes are defined by the GHG Protocol – Product Standard (WBCSD and WRI, 2011b) as service, material and energy flows that become the product, make the product and carry the product through its life cycle.*

*On the other hand, non-attributable processes are defined by the GHG Protocol – Product Standard (WBCSD and WRI, 2011b) as services, materials, and energy flows which are not directly connected to the studied product or service during its lifecycle because they do not become the product or service, make the product or service, or directly carry the product or service through its life cycle.*

## Emissions calculations, emission factors and methodologies

Emissions calculations use two equations, as shown below:




All GHG calculations are brought back to the common metric of carbon dioxide equivalent ($CO_2e$).

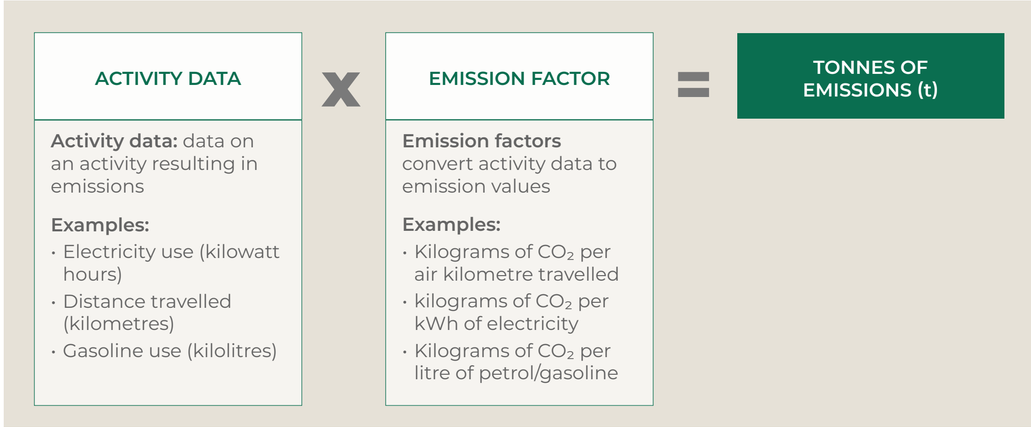
Activity data is the data collected from the company, for the emissions activity occurring. This data is collected from the company. Then the activity data is multiplied by an emission factor, which is chosen based on the type of activity data available.

Emission factors are presented in specific units, which are matched to the activity data present. Emission factors are informed by detailed studies and lifecycle assessments, and are published by various entities, including government agencies and intergovernmental organisations. Other emissions factors are proprietary limited.

Country-specific emission factors for grid electricity are published for some countries, for example Defra publishes factors for the UK, and the Environmental Protection Agency publishes factors for the US.

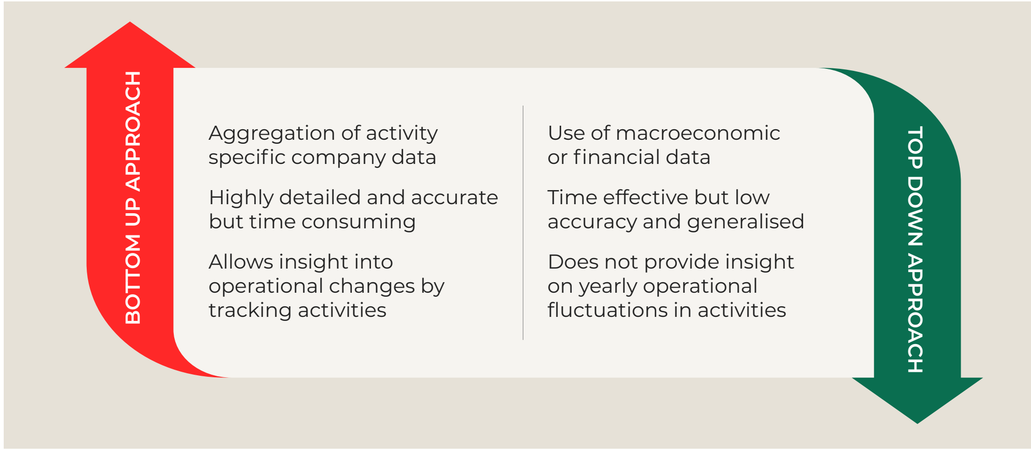
However, for most other countries the best available factors are the composite electricity/heat factors in $CO_2$ Emissions from Fuel Combustion published by the International Energy Agency.

Some examples of common types of activity data and emissions factors include:




## Gathering activity data

Data can be used and gathered to inform a top-down approach to GHG accounting or a bottom-up approach. The considerations for each approach are shown below.



Under the GHG Protocol's Corporate Accounting and Reporting Standard, companies are advised to use a bottom-up approach. In some situations, depending on the desired outputs of the GHG accounting process, a top-down approach is also suitable, but usually for annual GHG reporting a bottom-up approach is employed.

## Intrepid Travel's emissions

### Office

The company measures emissions arising from heating and cooling of offices, (electricity, renewable energy, gas), water, printing (including office paper and magazines), business travel flights and vehicles on an annual basis.

For trips, Intrepid Travel includes the emissions from global trips into its boundaries, travel comfort categories, called "trip styles" i.e. Basix, original and comfort, and travel themes e.g. family, sailings, cycling.


## Calculation Process

1. Gather activity data about individual trips from trip leaders
2. Quantify emissions from individual trips by applying relevant emission factors to the data. Calculate the emissions for each trip in kg CO2-e/(passenger.day)*.
3. List emissions for every trip analysed then accumulate emission factors based on location (micro-region) and trip style (e.g. basic trip, comfortable/high-end trip or a sailing trip)
4. Generate a list of all trips taken in the reporting year ensuring the list includes trip code, micro-region, style, number of passengers on the trips (including leaders), number of days on the trip
5. Apply the emission factors to the list of trips taken in the reporting year by matching micro-regions and styles.

An example of how emissions are calculated this way is presented below:

**Step 1:** Trip A is in Northern Africa and is a Basic trip. Reports show that in the reporting year, there were 10 trips taken which had a total of 50 passengers (including leaders) and total days for all trips in the period was 100.

**Step 2:** The emission factor for Basic trips in Northern Africa is calculated as 15 kg CO2-e/(passenger.day

**Step 3:** Emissions calculated for trip A in the reporting year is:

50 passengers * 100 days * 15 kg CO2-e/(passenger.day) = 75,000 kg CO2-e or 75 t CO2-e

6. Sum the total emissions for all passengers and days on every trip code taken in the reporting period and get a total number of emissions.

**Note that passenger.days is the functional unit of Intrepid trips, meaning they represent the unit of analysis for trips and thereby best capture the key driver of emissions for measurement – which is the number of passengers on each trip, and the duration of the trip (in days). The functional unit is determined by multiplying the number of passengers by the length of the trip in days, to arrive at the passenger.days for that given trip. The sum of all functional units is then taken, to determine the total for the given year.*

## Science-based targets

Selecting the right science-based target approach for a company:

This requires knowledge of:

- the company's future Business-As-Usual (BAU) GHG trajectory
- an understanding of the emission hotspots in the inventory
- what are the main emissions drivers
- where can significant emission reduction initiatives be implemented to ultimately achieve the set SBT

The right approach also depends on the company's size, business type and industry where there are specific methodologies for certain sectors.

Under the SBTi, a company must set Scope 1 and 2 targets in line with climate science. If a company's Scope 3 emissions trigger the SBT Scope 3 threshold (i.e. Scope 3 emissions constitute greater than 40 per cent of the entire inventory), then a Scope 3 target must also be set.

Below is illustrated a high-level summary of the different considerations in setting a SBT target for Scope 1 and 2, and Scope 3, plus overall considerations.

| | |
|---|---|
| **Scope 1 and 2** | **Available Target Setting Approach:** Absolute Contraction Approach vs Sectoral Decarbonisation Approach (SDA)<br>**Target type:** Absolute vs Intensity based target<br>**Target ambition:** 1.5°C vs well-below 2°C |
| **Scope 3** | Boundary of GHG inventory subjected to target<br>Included emission sources<br>Target type: absolute, intensity or supplier engagement<br>One scope 3 target for all sources or individual target per source |
| **Overall Considerations** *(for all emission scopes)* | Target timeframe and base year<br>Progress reporting frequency and public disclosures<br>Future target recalculations – minimum requirements and triggered calculations |

On October 28th 2021, SBTi launched the first science-based framework for companies to set net-zero targets - the Net-Zero Standard to ensure that companies' net-zero targets translate into action that is consistent with achieving a net-zero world by no later than 2050.

# How Intrepid Travel is decarbonising

Intrepid Travel is an ambitious, high-growth company and it will grow considerably over the next decade, as will its carbon footprint - despite an overall trend of decarbonising its supply chain. Intrepid Travel's GHG emissions are projected to more than double to 2035 reaching close to 100,000 tons -e due to the company's growth plans and customer preferences. In addition, action to mitigate this increasing GHG footprint will also mitigate other business risks from the financial, legal, and reputational liabilities stemming from a high emissions footprint.

Offsetting corporate emissions with carbon offset units is a valuable climate action to date. But it relies on emission reductions that are achieved elsewhere in compensation for business as usual. Furthermore, purchasing offsets are unlikely to remain a financially viable option with most projections foreseeing shortages of units in the market and steep increases in costs per unit.

One of the biggest challenges in reducing emissions in travel is that tourism has vast supply chains, and organisations are dependent on each other to move forward. The sector needs to adopt a low carbon economy globally — the aviation sector needs to cut carbon wherever possible. Due to travel's supply chains are particularly complex; there is no one size fits all solution. Each Intrepid Travel trip offers travellers a local, authentic, sustainable, and carbon-offset experience. To reduce the GHG intensity of trips the company relies on suppliers, such as accommodation and transport providers to decarbonise. For example, in China, we have been able to move away in many cases from flights towards trains because the infrastructure is good, but in somewhere like Australia, those alternatives don't exist.

A lot of carbon reduction is to do with smarter planning, which means companies can identify and prepare for greater efficiency. Capacity is also important because running a trip that is only half full has a significant impact on our emissions per passenger. On the operations side, Covid-19 has proven that businesses can collaborate remotely, which will reduce the need for much business travel in the future. Intrepid Travel has also found that some changes are relatively easy to make, although this varies from country to country: in the UK the company can switch energy providers to renewable energy, whereas in Canada it has to rely on renewable energy certificates.

Under its science-based targets, Intrepid Travel commits to reduce absolute Scope 1 and 2 greenhouse gas emissions 71 per cent by 2035 from a 2018 base year.

It also commits to reduce Scope 3 greenhouse gas emissions from its offices by 34 per cent per full-time equivalent and from its trips by 56 per cent per passenger day over the same period.

The targets covering greenhouse gas emissions from company operations (Scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C.

## Details

**Scope 1 and 2:**

- The only available option to Intrepid Travel was the absolute Scope 1 and 2 target (as there is currently no Sectoral Decarbonisation Approach established for the tourism/travel sector)
- Intrepid Travel aimed for the 1.5°C level of ambition – this is to complement and strengthen Intrepid Travel's existing 1.5°C commitment to the 'Business Ambition for 1.5°C within the 'We Mean Business' Coalition

**Scope 3:**

- Under the SBTi, a Scope 3 target is required (in addition to a scope 1 and 2 target) due to Intrepid Travel's GHG inventory and footprint size, where Scope 3 constitutes a significant portion of the entire GHG inventory
- Given the nature of Intrepid Travel's global operations, industry (tourism), company product (trips) and the company commits to the Scope 3 physical intensity target for offices. For trips the company selected a physical intensity target. Although this is less ambitious in overall emissions reductions compared to an absolute Scope 3 target, it is more suited to fast-growing companies and hence is the best suited Scope 3 option for Intrepid Travel (the trips physical intensity metric is passenger days).

SCIENCE BASED TARGETS

**SCOPE 1 + 2**

**71%**

*reduction by 2035*
*Base year 2018*

Intrepid Travel commits to reduce absolute Scope 1 and 2 greenhouse gas emissions 71 per cent by 2035 from a 2018 base year.

**SCOPE 3**

OFFICE

**34%**

*reduction by 2035*
*Base year 2018*

TRIP

**56%**

*reduction by 2035*
*Base year 2018*

It also commits to reduce Scope 3 greenhouse gas emissions from its offices by 34 per cent per full-time equivalent and from its trips by 56 per cent per passenger day over the same period.

Intrepid Travel's footprint will benefit greatly from the emissions intensity reduction in the economy and the energy and transport systems. It has also already identified and earmarked emissions savings opportunities, including renewable energy and corporate flight reduction targets that benefit the business. Emission reductions for Intrepid Travel will focus on office emissions followed by a different treatment strategy for trip emissions.

## Emission reduction strategy for offices and tours

In its trips, Intrepid Travel expects that itineraries will need to be changed (where possible) so that passengers take buses or trains instead of flights, stay in accommodation with fans instead of air-conditioned hotels, among other initiatives. The company will review its top 50 itineraries by 2022 to identify if there are flights under 1.5 hours that can be replaced where a feasible alternative exists. New product development is based on product recommendations for low carbon trips. Providing best practice guide for sustainability considerations during product development by accounting for carbon during the itinerary design stage to guide decisions based on carbon intensity of travel modes and activities selected.

Additionally, Intrepid Travel is working toward higher occupancy per trip as a measure to reduce emissions overall and per passenger.

The company also actively reduces the carbon emissions from its offices and has been focusing on reducing energy usage and emissions through more efficient user behaviour, purchasing renewable energy, and improving the energy efficiency of appliances and buildings.

### Offices

- Switch to digital brochures, reports, etc
- Move to energy efficient office buildings
- Travel less for business & switch to virtual meetings
- Source renewable energy by 2025 at the latest.
- Improve waste management to collect recycle and kitchen waste
- Purchase energy efficient equipment

### Trips

- Increase trip efficiency
- Replace flights with highspeed trains
- Minimize/ remove internal flights
- Switch to e-vehicles
- Procure accommodation that uses renewable energy

# Conclusion

As we've outlined here, the earlier businesses start working on structural changes and an emissions trajectory in line with a 1.5°C world, the less disruptive and more beneficial the changes to the business practice will be.

Intrepid Travel has recognised the many advantages of a science-based approach. Science-based GHG emission reduction targets can help drive innovation and secure long-term competitive advantage and drive real operational emission reductions. Setting long-term, meaningful targets sends a clear signal to all the company's stakeholders as to where the business is heading and provides the context for strategic investments needed to transform business models.

Lives have been turned upside down by Covid-19, but sadly, as terrible as the health and economic impacts of the pandemic are, the long-term effects of climate change will prove to be far worse for the travel industry.  The good news is that we already have the knowledge, tools and skills required to limit climate change and avert another global disaster – we just need the will to act – and we must do it quickly. Let's use this moment as a catalyst for more ambitious climate action to reduce emissions and transform our industry.

To address this risk, all travel businesses must take real action towards net zero emissions as fast as possible before 2050. If we do not work together to address climate change, there simply will not be a tourism industry in the future. Carbon constraints must be understood to be the birthplace of innovation and corporate efficiency. The whole industry needs to take meaningful collection action on climate as a critical priority in travel's post-Covid recovery.  As the tourism leaders look ahead, corporate boards have the opportunity to align Covid-19 recovery plans with strategies to rebuild responsibly and plan for a low carbon economy.

So, no matter where you are on your climate journey, make it your priority to take the next step to translate your commitment into action in your travel business.

# Appendix

**Resources available**

- B Corp Climate Emergency playbook
- B Corp Climate Collective Australia & New Zealand
- Building a Net Zero Future: Australian Businesses Taking Science-Based Climate Action
- Climate Active
- DEFRA emission factors
- Foundations for Net Zero
- GHG Protocol
- IEA emission factors
- Intrepid Travel's 2020 Integrated Annual Report
- SBTi Corporate Manual
- SBT initiative
- SBT initiative resources
- Tourism Declares
- Work for Climate
- 2040

**Suggested further reading**

- *The Future We Choose* by Christiana Figueres, Tom Rivett-Carnac
- *Our House is on Fire* by Alena Ernman, Greta Thunberg, Beata Ernman, Svante Thunberg
- *The Uninhabitable Earth: A Story of the Future* by David Wallace-Wells
- *A Life on Our Planet* by David Attenborough
- *The Climate Cure: Solving the Climate Emergency in the Era of COVID-19* by Tim Flannery

intrepidtravel.com

tourismdeclares.com

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