

The Wire...from AirPlus.

December 2011: CSR Initiatives Through the Travel Supply Chain.

AIRPLUS. WHAT TRAVEL PAYMENT IS ALL ABOUT.



Corporations have higher CSR standards for themselves than for their preferred travel supplier partners.

As corporate social responsibility (CSR) increasingly becomes part of mainstream business practice, companies are revising not only their own practices but looking to their preferred suppliers to reinforce important CSR goals. According to the 175 corporate travel managers AirPlus surveyed in November about the CSR initiatives at their own companies and throughout their supply chain, this is especially true in the area of environmental standards.

Unlike other CSR categories, the green initiatives of suppliers can have a direct impact on a company's own goals for reducing the environmental impact of business travel. To that end, the percent of travel manager respondents who expect green initiatives of their preferred suppliers was 42 percent—significantly higher than any of the other categories in the survey. Implemented at 55 percent of the travel managers' companies, those percentages also represent less of a gap between what corporations do themselves and what they expect from their preferred suppliers than in any other category in the survey.

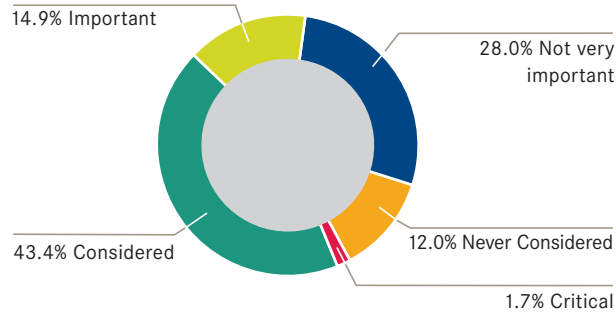
With the introduction in September of new standards for measuring greenhouse gas emissions generated by business travel, such efforts are poised to become

What types of CSR initiatives are implemented at your company and which do you expect from your company's preferred travel suppliers? (choose all that apply)

CSR Initiatives	Your Company	Preferred Travel Suppliers
Green Initiatives	55.4%	41.7%
Corporate donations to charity—financial	58.9%	27.4%
Corporate donations to charity—services	53.1%	25.7%
Employee volunteer activities or compensation hours	54.9%	18.9%
Employee charitable donation match programs	40.0%	16.6%
None	13.7%	15.4%
I don't know	6.8%	7.4%
Other	1.7%	0.6%

easier to measure accurately and consistently throughout the travel supply chain. Developed by the World Resources Institute and the World Business Council for Sustainable Development, the Greenhouse Gas Protocol added the Corporate Value Chain (Scope 3) Accounting and Reporting Standard to its existing standards. The new standard is specifically designed to standardize data collection and reporting of the greenhouse gas emissions created by business travel in addition to other sources throughout the corporate supply chain.

How important are travel supplier CSR/green initiatives to your preferred supplier decision-making process?



In all the other categories, corporations have also set higher CSR standards for themselves than for the preferred travel suppliers with whom they work, although there appears to be no correlation between the initiatives that companies themselves are embracing and what they're asking of suppliers. For example, at 59 percent, financial charitable donations were implemented by the highest number of survey respondent companies, yet only 27 percent expected the same from their preferred suppliers. Similarly 53 percent of respondent companies make charitable donations in the form of services, while just under half that number (26 percent) expected the same from their preferred suppliers. Even fewer (19 percent) expected their suppliers to organize employee volunteer activities or provide compensation hours for such, although 55 percent of the surveyed companies have such arrangements. And matching programs for employee charitable donations came in on the lower end of the scale, relative to the others, for both companies (40 percent) and their suppliers (19 percent).

Despite relatively high expectations of supplier CSR initiatives, few companies currently include CSR criteria in their travel supplier RFPs, ranging from a low of 10 percent who include it in payment RFPs to a high of 15 percent who include it in hotel RFPs. Slightly more plan to include such initiatives in their RFPs in the coming year, with car taking the lead at 19 percent, then hotel at 16 percent, air at 14 percent and payment at 10 percent. However, the majority currently have no plans to include that kind of criteria: 63 percent of corporate travel managers say they have no plans to include CSR criteria in their payment RFPs, followed by 62 percent for air and 57 percent for both hotel and car.

Do you currently include, or plan to include, CSR criteria in your travel supplier RFPs?

	Currently	Next 12 months	No plans	I don't know
Air	13.3%	13.9%	61.8%	11.0%
Hotel	14.6%	15.8%	57.3%	12.3%
Car	12.4%	18.9%	56.8%	11.8%
Payment	10.0%	10.0%	62.5%	17.5%

The lackluster numbers are not surprising given that while the majority of respondents do say they consider CSR and green initiatives when making their final decisions, for most respondents, this is not a consideration that's key to final decision-making process. Only 2 percent said such initiatives were of "critical" importance in the preferred supplier decision-making process. Another 15 percent said such information was "important" to the process, while the highest number—43 percent—said it was "considered." The remaining 40 percent said it was either "not very important" or "never considered."

Additional Resources

New Business Travel Emissions Reporting Standards Expected Next Month

<http://www.businesstravelnews.com/Travel-Management/New-Business-Travel-Emissions-Reporting-Standards-Expected-Next-Month/?a=btn>

Despite Rising Emissions, Bloomberg LP Plans No Travel Cuts

<http://www.businesstravelnews.com/Travel-Management/Despite-Rising-Emissions,-Bloomberg-LP-Plans-No-Travel-Cuts/?a=mgmt>

Survey Methodology: For this issue of *The Wire*, AirPlus International surveyed 175 corporate travel buyers in North America and Europe from November 10 to November 28, 2011.

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