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CO$_2$ Performance Ladder
Value Chain Analysis – Air travel

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Introduction

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Deloitte is a leading global provider of audit and assurance, consulting services, tax and legal and related services. We have been providing professional services to clients, developing our talent and engaging with society for over 180 years. Our global organisation has grown in scale and now comprises approximately 470,000 people in more than 150 countries and territories. In the Netherlands, we employ over 7,600 people in 15 different offices around the country.

As our organisation has grown in scale, we recognize our responsibility and the opportunities to make a positive impact on society. We are aware that our day-to-day activities result in CO_2 emissions. We burn fuels to heat our buildings, purchase electricity to charge our cars and we buy airline or railway tickets to travel to international clients. We also have suppliers who emit CO_2 to produce and transport their goods or render their services to us. We recognize the negative environmental impact from our business on the environment and we want to actively reduce our CO_2 emissions in the coming years.

To gain insight into which activities are most significant for total emissions, their impact, influence, sector comparison, importance, and ranking with respect to CO_2 emissions were examined. Deloitte compiled an overview of the supply chain partners representing more than 80% of the purchasing volume. Based on this, Deloitte is investigating options for further reducing CO_2 emissions (in the supply chain).

Business travel is a significant part of our GHG emissions. With our business travel policy, we outline our conditions for international travel and aim to mitigate climate change by reducing the emissions from flights. We encourage our people to travel only when necessary, opting for virtual or hybrid meetings and staff locally when possible. For essential trips, we prioritise methods that minimise CO_2 emissions and costs. In line with our reduction ambitions, we prefer rail over flights for short international travel and have guidelines for travel classes on international flights, encouraging employees and Partners to choose Economy or Economy Premium for intercontinental travel, and only Economy for flights under six hours.

By conducting a chain analysis, the air travel chain was mapped and opportunities for reduction were identified. The findings are documented in this report.

Value chain

Substantiation of chain analysis

As a result of the analyses performed, Deloitte decided to conduct a supply chain analysis for business flights. The CO_2 emissions inventory and other data show that business flights account for a significant portion of Scope 3 emissions.

A supply chain analysis within the CO_2 Performance Ladder focuses on identifying and reducing CO_2 emissions throughout an organization's entire value chain. This means analyzing not only the organization's own direct emissions, but also the indirect emissions resulting from the production, transport, and processing of materials and services.

The goal of the supply chain analysis is to gain insight into the CO_2 impact of the supply chain and identify opportunities to reduce this impact. This contributes to the organization's sustainability and environmental objectives and can also lead to cost savings and an improved market position.

The main objectives for conducting this Scope 3 supply chain analysis are to identify the most significant CO_2 generating activities in the value chain, explore reduction opportunities, and formulate reduction targets. In this process, it is crucial to obtain information from supply chain partners.

The structure of this report is based on the methodology outlined in Chapter 4, "Setting operational boundaries," of the GHG protocol "Corporate Accounting and Reporting Standard," which allows for the determination of Scope 3 emissions. The four general steps provide the structure for the analysis:

1. Description of the value chain – A full life cycle assessment is not required, but a general description of the value chain is necessary.

2. Determination of the relevant emission categories – Not all Scope 3 upstream and downstream emission sources are relevant. By considering the size of the source and the company's influence on the emission sources, it can be determined which sources are relevant.

3. Determination of the supply chain partners – After the emission categories have been determined, the supply chain partners involved must be identified. This primarily concerns those supply chain partners that make a significant contribution to the emission source.

4. Quantification of the emissions – This involves clarifying the quantification approach. Because there may be limited visibility into data within the value chain, a lower level of accuracy is acceptable. The focus here is primarily on the relative size and potential for reduction.

Chain description

DEFRA[1] provides annual greenhouse gas conversion factors for air travel, measuring per passenger-km based on distance (domestic, short-haul, long-haul) and class (economy, business). These factors include radiative forcing (RF) and well-to-tank (WTT) emissions, reflecting total climate impact. Since aircraft use the most fuel during takeoff and landing, domestic flights tend to have a higher emission factor than long-haul flights. However, long-haul flights still produce more total emissions due to their length. When calculating emissions from air travel, it's important to use a factor that includes radiative forcing. Radiative forcing increases the emission factor, but it is more accurate as it takes into account the fact that aircraft produce emissions higher up in the atmosphere, where their warming effect is greater than at ground level.

Total kilometres travelled by plane are obtained from our travel agents. It is standing policy that we use the most recent conversion factors. Hence, for the calculation of the related CO e emissions, we have used the 2024 conversion factors as provided by DEFRA[1] using a classification that distinguishes economy, premium economy, business class and first class and categorises air travel in domestic, short-haul international and long-haul international flights. For the various subgroups, the following CO e conversions are used:

- Domestic average (all);
- Short-haul international average (<= 3700 km);
- Short-haul international economy class (<= 3700 km);
- Short-haul international business class (<= 3700 km);
- Long-haul international average (> 3700 km);
- Long-haul international economy class (> 3700 km);
- Long-haul international premium economy class (> 3700 km);
- Long-haul international business class (> 3700 km);
- Long-haul-international first class (> 3700 km);

In order to track our CO_2 emissions to determine the effectiveness of our actions and policies, we operate a CO_2 Emissions Dashboard for fleet and air travel. This dashboard is updated every month with the latest data we receive from our suppliers.

Collaboration with supply chain partners is essential for identifying and implementing reduction measures. Deloitte's supply chain partners in the field of business flights are:
- BCD
- Anaplan

Emissions value chain

Emissions

The conversion factors used in the IAR FY25 are provided by DEFRA (www.defra.gov.uk) using a classification that distinguishes economy, premium economy, business class and first class and categorizes air travel in domestic, short-haul international and long-haul international flights. The CO2 emission factors from www.CO2emissiefactoren.nl do not account for travel class, resulting in a difference in CO2 emissions. Deloitte therefore uses DEFRA's emission factors.

The table below shows the passenger kilometers per flight type in FY25, including the associated CO2 emissions.

Type	Passenger kilometers	Emission factor (kg/km)	Emission FY25 in tonnes CO_2
Domestic average (all);	-	0.27257	-
Short-haul international average (<= 3700 km);	-	0.18592	-
Short-haul international economy class (<= 3700 km);	5,973,648	0.18287	1,092
Short-haul international business class (<= 3700 km);	157,219	0.27430	43
Long-haul international average (> 3700 km);	-	0.18592	-
Long-haul international economy class (> 3700 km);	6,998,071	0.20011	1,395
Long-haul international premium economy class (> 3700 km);	2,763,539	0.32015	882
Long-haul international business class (> 3700 km);	5,867,317	0.58028	3,364
Long-haul-international first class (> 3700 km);	45,655	0.80040	31
Total	**21,805,449**		**6,808**

The overview below shows emissions from business flights in FY25.

Type	FY25
Economy	2,488
Premium Economy	882
Business	3,407
First	31
Total	**6,808**

Reduction

Reduction

We have continued to operate our Travel Policy with the aim of reducing our business travel emissions by 50% per FTE from 2019 levels and set new targets to reach 55% reduction per FTE by 2030 and 90% absolute reduction by 2040.

Type	2019	FY23	FY24	FY25
CO_2 emissions business flights (tonnes)	11,889	4,800	6,173	6,808
FTE	5,736	7,707	7,780	7,328
Emission per FTE (tonnes)	**2.1**	**0.623**	**0.794**	**0.929**

Based on the DEFRA emission factors, the reduction in kg CO_2 per FTE in FY25 (compared to 2019) is 55.8%.

Levers to reduce emissions from business travel
Based on our net-zero commitment and the targets set specifically for business travel, it is important to determine the different levers of change that will enable us to reach that target. To meet these targets we have set out a transition plan that maps the key activities and timelines for each focus area. Because business travel is a significant contributor to our total carbon footprint, a number of actions in that plan are dedicated specifically to reducing travel emissions.

With regards to business travel, we focus on two levers of change: behaviour change and industry development.

Behaviour change
The data show that the greatest emissions come from long-haul flights, particularly in business class. Reducing emissions therefore depends on conscious travel choices. While we acknowledge the ongoing need for in person meetings with clients and colleagues, we will focus on making conscious decisions by prioritizing sustainable alternatives, reducing trip frequency, opting for lower-emission travel classes and minimizing the number of people travelling.

Behaviour change – governance
We have put governance in place to embed and steer this behaviour change:
• Travel policy: a clear policy sets expectations and guidelines for sustainable travel behaviour.
• Booking nudges: the travel portal includes information and behavioural nudges to encourage lower-emission choices at the point of booking.
• Monitoring and targets: a carbon emissions travel dashboard tracks key travel metrics continuously.
• Carbon budgets and review cadence: on an annual basis, a carbon budget is established for each business. Progress is reviewed quarterly with the business COOs in order to steer performance through the year.

Behaviour change – next-steps
To keep up the focus on behaviour change, we will continue to raise awareness internally on how business travel affects our carbon footprint and describe the different ways colleagues can reduce that impact. Our internal communications will inform people about the carbon budgets, set out how we intend to lower our emissions, and give practical guidance on choices they can make when arranging travel.

We will also explore ways to use the booking platform to encourage lower-carbon decisions, for example through clearer information, prompts or defaults at the point of booking. At the same time we will maintain carbon budgets and continue to monitor detailed travel data so we can steer activity and target interventions in the areas with the highest potential for emissions reductions.

Industry development
We also acknowledge that as a business we will continue important business travel. It is therefore important that industry developments accelerate the decarbonization of the entire sector.
To play an active role in this transition, we support and participate in these developments. Alongside behaviour change, we are actively pursuing sustainable aviation fuel (SAF) agreements and other collaborative initiatives. These partnerships are critical to the future of sustainable business travel, and we work across the industry to drive further progress.

Over the coming years we will increase our focus and investment in these initiatives; while maintaining efforts to influence travel behaviour so we can meet our target.

Discussion

Discussion

The conversion factors used for air travel in our IAR deviate from those employed in the CO_2 Performance Ladder. The conversion factors used in the IAR FY25 are provided by DEFRA (www.defra.gov.uk) using a classification that distinguishes economy, premium economy, business class and first class and categorizes air travel in domestic, short-haul international and long-haul international flights. The CO2 emission factors from www.CO2emissiefactoren.nl, which are required for the CO2 Performance Ladder, do not account for travel class, resulting in a difference in CO2 emissions.

Conclusion

Conclusion

This study examined the CO_2 emissions of business flights taken by employees. Based on the results, it can be concluded that CO_2 emissions from air travel amount to approximately 929 kg CO_2/FTE in FY25. Deloitte has set a reduction target of 55% CO_2 reduction per FTE by 2030 and 90% absolute CO_2 reduction by 2040 (compared to 2019). Deloitte intends to achieve this target through its Travel Policy.

Sources

Sources

(1) DEFRA www.defra.gov.uk

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