



EMBARK EPISODE #7

THE RESPONSIBLE TRAVEL

COMPANY

AUDIO TRANSCRIPT

Jonathan Sullivan: Hello everyone. And welcome back to the Embark podcast with Accenture, where we talk about travel, technology and trust. In today's episode, we're really talking about trust and sustainability and what major organizations around the world, are doing to try and bring sustainability, more to the forefront in our businesses. Today, we're joined by three great guests. First, from Marriott, we have Arielle Quick, who is the EMEA Chief Continent Lodging Officer. And what that really means is that the vast majority of the operations within the Marriott hotels in EMEA report to her, as well as the IT functions in the region. And from the WTTC we have Virginia Messina, the Senior Vice President of Advocacy and Communications, who influences both governments and lobbies in corporations that are members of them to drive more to sustainability. And then we have my longtime colleague and friend Jesko Neuenberg who leads from Accenture our travel industry's point of view on sustainability and is deeply involved in our overall sustainability efforts. Thank you. And welcome to the podcast.

Now, I'd like to get started and just individually ask each of you: why is sustainability so important to you personally? And how are you bringing your personal enthusiasm to the organizations? Arielle, why don't I start with you?

Arielle Quick: Sure. Thanks. And thanks for having me. It's a great question. Look for me personally, I have just always loved nature, animals, gardening, and I still do to this day. And I've also always loved travel. There's a lot of things that I still want to see in the world. And,

sustainability is really important to me because the thoughts that some parts of our natural environment may disappear, if we don't adjust our way of life and how we work is, it's very sobering to me. So, I mean, that's, in terms of, for me personally, why I care about this, I, think, my point of view is similar to many others' folks. As we all become more conscious of how important this topic is for sure.

Jonathan Sullivan: And how are you bringing that personal enthusiasm, that personal drive into what you're doing around sustainability at Marriott?

Arielle Quick: I'm sure I'll obviously have a chance to talk about this more, but as I travel across my region in the Europe and Middle East and Africa, I'm really encouraged to see that a lot of people actually, from our guests to our owners, to our corporate clients and our associates, are taking this very seriously and talking about the importance of this topic.

So, we really, we have a number of programs that we, that we work on. Today's reality is that we live in a world that's so much more transparent than it was just a few years ago. And, and so a lot of our efforts are around transparency and capturing all the great work that we're doing and continuing to drive it forward.

Jonathan Sullivan: And Virginia, let me switch over to you for a second, because you're in a position where you can influence so much of the



global tourism and travel industry. What's your personal drive around sustainability?

Virginia Messina: Thank you, Jonathan. And thank you, everyone. It's great to be here today. Personally, and as a mom of young kids, I would really like to see my children live in a world without the threat of turmoil that climate change presents and, in a world where people have equality of opportunity to succeed and prosper. And ultimately in the travel industry, we are in the business of people. And I think sustainability is all about protecting obviously our planet and that people. So, I think that's why it is incredibly important. And I'm very passionate about this. Now, when it comes to travel and travel businesses, I think over the last few years, it's become more evident how the sustainable practices can really strengthen business performance. Whether it's through reduced energy consumption and costs, a few efficiency improvements, waste reduction, increased risk preparedness as well as increased brand awareness and revenue growth opportunity. So, all of these can ultimately increase the competitive advantage of a business and make it more attractive for everyone, consumers, employees, and of course, investors.

Jonathan Sullivan: And Jesko, I've known you for a long time. You and I have done work in I don't know how many different countries and shared a lot of flying together. What does sustainability mean to you and how are you helping influence what we do at Accenture around that?

Jesko Neuenburg: Yeah. Thanks, Jonathan. Also, thanks for having me today. I can echo what, what Ariel said at the beginning. I also love to travel. I'm also a proud dad and I honestly, I want my kids to still enjoy global travel in the same way that our generation could. And so, I think it's our duty to the next generation to safeguard the privilege of global travel. And what I can do, towards that goal, I will.

And then in our work with our clients, we do a lot of things to basically help the travel industry, the aviation industry, to move towards more

sustainable operations, to find the opportunities, to reduce their emissions, to kind of develop the path towards a net zero travel sector. And we've just finished some work as well together with Virginia and the WTTC as well around kind of a roadmap for the entire sector to do so. So, those are some of the initial thoughts, I guess.

Jonathan Sullivan: Great. And now I'd like to just ask more of a commercial question back to Arielle and the team. From the consumer side, people like us who care deeply about this. Are you seeing more of a push for sustainable related travel experiences that you can deliver, or travel options that you can deliver?

Arielle Quick: Yeah, I'm happy to go first, Jonathan. Regardless of travel purpose, people want to travel with companies they know are playing their part and they want transparency. I touched on that a little bit in my opening comments. So, we can't just say that we're doing it. We need to show what we're doing and how we measure up against our targets. At Marriott, we do this through our annual Serve 360 report, which outlines our progress against our ESG initiatives. And just to make it real for you - this demand for data is increasing and continues to grow to your question about the push.

Externally, we see tech companies and booking engines provide more transparency to consumers. Whether it's booking.com or Google or others. These companies are using hotel level sustainability information to tag and grade and rank our hotels to inform guests' and consumers' purchasing decisions.

And we're also seeing it internally from a Marriott perspective. If we think back to 2014, about eight of our global corporate accounts asked to see our sustainability report as part of the RFP process. And last year we had 280 corporate customers request our report. And those 280 customers represent about \$5 billion worth of revenue for us. So, this clearly shows the importance of ESG to our business. No question.

Jonathan Sullivan: And if I can ask a follow-up question to that. Are you being asked to provide



data back to these corporates around how their employees have stayed in your hotels and the sustainable impact that that has had?

Arielle Quick: Yeah, absolutely. And a lot of the work that we're doing is trying to make it easier and more seamless to provide the data that our customers want to see. Some of it we can do and some of it we're working on enabling better. Obviously, just in my region alone, we're almost a thousand hotels in 75 different countries and it's depending on what kind of data people are looking for, of course we provide it definitely.

Jonathan Sullivan: Virginia. Can I ask you from your global perspective, is the pull that Marriott and Arielle is seeing something that you're seeing across a broad range of travel companies?

Virginia Messina: Absolutely. I think we're seeing great momentum in terms of sustainability. It's at the forefront effectively, not only of consumers as, as Arielle was referring to, but also businesses and ultimately, even policy makers and the investor side as well. So, I think that we are definitely seeing that push and that momentum and equally we are seeing the response to it, which is kind of an increased engagement.

Obviously more companies issuing their sustainability reports. Like the one Arielle was referring for Marriott. We have a large portion of our members now, not only setting up climate to action plans, but also science-based targets. And more recently at COP 26, over 400 companies pledged to reach net-zero by 2050. So, we're definitely seeing an incredible momentum and I think more, a larger part of the industry really realizing that we need to make this transition and otherwise the price will be definitely much higher.

Jonathan Sullivan: Yeah, for sure. And Jesko, can you talk a little bit about what we're doing at Accenture with regards to business travel sustainability, and doing our part?

Jesko Neuenburg: Yeah, absolutely, Jonathan. And we're doing a number of things, from our own corporate travel perspective. We've seen a strong shift to virtual meetings and virtual collaboration, and that of course was accelerated through COVID. We're also actively choosing greener flights and greener modes of transport.

Um, and as one initiative we've developed our own carbon calculator that basically helps our travelers choose lower emissions flights. We've also shifted some of our flying to trains, where that's feasible, obviously more on shorter distances. We are reducing our emissions through the use of sustainable aviation fuel. Accenture is among a group of leading companies that have committed to the use of 10% sustainable aviation fuel by 2030, which is something we announced around COP last year. We also work with our airline hotel and rental car partners to help them lower their emissions. So that's part of the work that we're doing with our clients. And finally, we're moving to a hundred percent renewable energy by 2023. And have also invested in a proprietary, nature-based carbon removal portfolio, which will help us to reach our goal of net zero by 2025.

Jonathan Sullivan: And Arielle, back to you for a second. When you look at Marriott and the hospitality industry in general, where can hospitality really make a difference in sustainable travel?

Arielle Quick: We can make a difference in so many places and maybe I'll just touch on a few. First of all, if we look across the industry with our collective size and global scale, I think we're really well positioned to be part of the solution, from the way that we build hotels to the actions that we take to support our local communities.

Really the hospitality industry is part of the fabric of society. So, at Marriott, I mentioned earlier our sustainability and social impact program called Serve 360 and we called it Serve 360 because we really see this as a 360 degree mission. Our view is that we have a real responsibility to give back to the communities where we're based. And we prioritize reducing our impact on their



environments and empowering and creating new opportunities for the people living there.

We're also a founding member of the Sustainable Hospitality Alliance. This is an organization that's dedicated to bringing the industry together to tackle some of the world's most pressing issues. From climate action, which is, what we've been talking about, to also to human rights.

And, as a matter of fact, on this last point, human trafficking is an issue that everyone in the travel industry has to face. And sadly, hotels can be on the front lines when it comes to this crime. So, some of the work that we do is actually around awareness training. And we've created human trafficking awareness training that was recognized actually by the U S industry body as being a leader in its field.

And we actually shared it with our competition. So, over 1.2 million hotel workers have been through the course. We updated it last year, and we're also going to share that with the industry. So, that's an example on human rights. But if we go back to the more climate sustainability side of the conversation, our properties around the world work throughout the year to protect and restore and enhance the ecosystems in which they operate so that they can remain vibrant destinations to live and to work and to visit for our guests.

So, the idea is to focus on environmental challenges like coastal degradation or biodiversity loss, investing in projects that can be scaled in the long-term to help the world's natural capital resources and beyond a pretty long series of projects. We've also set ourselves some pretty ambitious targets, which we want to achieve by 2025.

Jonathan Sullivan: What are those targets?

Arielle Quick: So that includes, um, cutting carbon intensity by a third, cutting waste to landfill by nearly half, be powered by a minimum of 30% renewable electricity and sourcing 95% of our top 10 categories responsibly. So those are a series of goals that we've set for 2025.

And then you probably would have seen in the press last year that we were at one of the companies that Virginia mentioned earlier that announced that we would set a [00:15:00] science-based target to reach carbon net-zero by 2050, which is a great step forward as well.

Jonathan Sullivan: Yeah, that's, that's amazing. And Virginia transitioning to you for a second. I was at the IATA AGM this year when they airline industry in advance of COP 26, announced that they were targeting net zero by 2050. It's a much harder space to do this. What do you think aviation can do to get there and how do they move at a pace that would be similar to what Marriott already doing?

Virginia Messina: Well, I think one thing that our roadmap that Jesko was referring to... just going back slightly last year when we really took a stance, we knew that the sector needed to reach net zero by 2050, and as a trade body, really what we need to do is kind of think about how do we provide guidance and how do we support our members to get there.

And so, one of the things that came up was the delivery of this roadmap, which effectively is a high-level strategy of how do we get there. And so we embarked on this journey with Accenture, which we were delighted to do, and then started looking at all the individual industries. So, we looked at aviation, we looked at tour operators, we looked at the hospitality, we looked at travel agencies. And I think the challenge when it comes to our sector is how diverse, obviously all the industries are. But when we look at climate and when we look at sustainability, the discrepancies between, the data or even the business models show an even more complex landscape.

So that's why, what we did with Accenture was come up with very specific de-carbonization leavers, that are going to help us make that transition at the industry level. Because again, we cannot, I mean, whilst the sector has such a great impact as a whole, I think when it comes to all these very specific actions, every industry needs to be treated separately because they all have their individual challenges, as we know.



So, on the aviation side, we know SAFs are going to play a key role. We know that until biofuels are available at a larger scale, we're really going to start seeing a difference. But we are working with many airlines that are really invested in this and are really making changes in their operations in terms of aircraft, in terms of waste. I mean, so many airlines, for example, have now replaced plastics on board, or are trying to have more sustainable menus and obviously more local menus. So, I think everyone is playing their part, but we do need to take each industry separately because they are all facing very different challenges.

Jonathan Sullivan: And Jesko, can you add to what Virginia saying about some of the things that aviation can do between now and 2030 to really start to make an impact?

Jesko Neuenburg: Yes, absolutely. The industry roadmap for aviation, really has four main elements. There is better aircraft technology and that means more efficient jet engines on the one side for, let's say the traditional airplane types, and then also kind of new propulsion technology like electric and hydrogen.

Those probably not until 2030, but certainly on the horizon for 2040 and 2050. The second thing is sustainable aviation fuel, as Virginia mentioned, and there we'll see a massive scale-up right from less than half a percent of the field supply today to probably more than 50% in 2050. So really a massive undertaking there, and that's not just the aviation industry, but obviously also the oil and gas players that need to play their role there.

Number three would be increased operational efficiency, both in the air and on the ground. For example, by leveraging the cloud, leveraging advanced analytics for things like better flight planning, or better airspace management. And then the fourth pillar is carbon removal of any residual emissions. And that can be through nature-based solutions or through technology solutions like direct air capture, or things like that.

So those four things together really are, you

know, the main things that the airlines are working on in different shapes and forms, but that those are the four things.

Jonathan Sullivan: Let's switch topics back to the data and the governance around sustainability. One of the things that internally, and I suppose maybe even on a few podcasts, we've pontificated about. It's companies coming up with a carbon budget, so to speak, to help manage the overall view of where they want to go. Now I know that's overly simplistic, but Arielle, can you give us a view as to how you're able to manage and drive metrics around sustainability, but the broad sense of sustainability, not just the carbon piece so that you can deliver on these targets.

Arielle Quick: Yeah, sure. So, I mentioned that we announced our science-based target last year. And look, I think it's really important, but what I think is really, really important is staying laser-focused, and having very real and very ambitious goals in the near-term to go with those. So, I've mentioned some of ours already, the carbon intensity down by a third, landfill waste by half, using renewable energy.

And we've got to deliver those by 2025 and that's just three years away. So we do our annual reporting on our website means that we can't hide if we don't achieve those goals. And our Serve 360 report is transparent and open. It's a detailed document that openly talks about our ESG progress, and how we're supporting the communities where we operate, and the work that we do to support the planet and also progress against diversity, equality and inclusion. So, throughout the year, part of what we have to work with is the properties individually, right? So, if you think about the importance of technology, we really need to capture all the work that's done down to the hotel level and bubble that all up so that it can fit in our Serve 360 reports. So, we have an environmental sustainability hub that is used by our hotels to capture and calculate carbon energy, water, and waste consumption. And we use this tool to evaluate alternative and renewable energy opportunities and to track and report on hotel compliance and to report any



successes and really make adjustments where we think we need to, or where we think we can do more.

Jonathan Sullivan: If I can follow up the question there, how, when you're working with the thousand hotels, that's in your personal portfolio, many of which you don't own, but you influence... how fast are they getting on board to these goals and how excited are their people about really contributing towards this?

Arielle Quick: So, I want to answer your question by saying it depends, but what I will say is that increasingly people care about this a lot. There are some markets that are really much more advanced than others. If you think about just, Western European... and frankly, some of it is a response to the government pressure, right. And then some of the local country level laws that, that we're seeing. But overall, there's a lot of passion around this. There's also a capital aspect, right? Some of this requires an investment. You were talking about our owners. And I think that these are all things that we have to balance and some of the elements that are more capital intensive probably will take a little longer, but we have people that are being very proactive that want to invest in a lot of these technologies. So, you know, it's a big system, it's a complex system. And what we need is to have tools at every level of readiness so that everybody can move forward at the pace that they can. And obviously from center, we want to help them as much as we can.

Jonathan Sullivan: Sound like a great challenge. We'd want to talk more about how we can help each other in that, both, as travelers, as well as folks who could love talking to your owners to.

Virginia, if I can ask you the Marriott 360 report, I read it before we had this podcast and was amazed at the depth of it. And I haven't come across anything quite like that in aviation. It may exist, but I haven't seen it yet. How do we drive travel industry writ large to start to follow in the footsteps of really taking a broad view like Marriott.

Virginia Messina: I think again, the industry is very broad, and you also need to consider size because absolutely Marriott are doing a fantastic job, and so are other of our hotel members. And, but we are seeing some progress on the aviation side. I mean, you talk about airlines and IATA particularly was created to do this and they have produced some very thorough report, and you were recently referencing the pledge they've made to reach net zero by 2050, which is wonderful. But I think the biggest challenge we have to kind of make progress at the global level is precisely down to the size of these businesses. So obviously larger businesses that have more resources or, have made more progress and have been looking at sustainability, and all of the reporting for decades. Whereas when you look at sort of the tail end of the sector, or as we say, the 80% of the sector, that includes smaller and medium businesses are only just beginning to embark on this journey. And I think that is where one of the biggest challenges lies. And that's where, from a WTTC perspective, we're really starting to think, how can we help that sort of larger portion of the sector? Because I think what is very clear is that until everyone is on the journey and really making progress. We won't be able to move the needle globally. So, I think that is kind of the real challenge is trying to bring everyone to the same level.

Again, recognizing the great progress that is being made in some of the industries, even on the cruise lines, because we haven't mentioned the cruise lines and there's a stronger focus on aviation, but cruises have similar challenges actually, because they also depend on fuel. There's also a lot of technology advancements, but we are also seeing some progress for many of our cruise members. So, I think the challenge is again focusing on also kind of the medium and smaller sized players and making sure that the right steps are made to continue to make progress.

Jonathan Sullivan: Thank you. Can you imagine the size of a sail that those big cruise ships would need to be completely green powered?

Virginia Messina: Absolutely. But it's one of the



industries that we analyzed. Again, I think, technology is definitely helping make that transition.

Jonathan Sullivan: Let me transition back to employees. In the US right now, we are in the midst of something, they call the great resignation.

And we see bits and pieces of that elsewhere in the world, nowhere to the near extent. And as I've reflected on that, sort of big transformative change, that's taking place over there... I wonder if companies are doing enough to make employees that are currently there, very proud to work for that company. And I know that as Accenture has adopted these broad and moving quickly towards delivering on these broad goals of sustainability, it makes me proud to be here. Um, and when I see it and think about it, I'm very happy to personally be associated with this brand. What do your general employees think about this? And Arielle, let me start with you, how do you measure how people are feeling about the sustainability drive internally and how do they feel?

Arielle Quick: Sure. Or look, our associates care about it deeply. It's something I get asked about almost everywhere I go. And frankly, it's so inspiring. I personally am really inspired by the drive that I see. Especially when you consider the tough period that our industry has just been through. We see how deeply they care, in the 500,000 hours of community volunteering that our associates have done. Spirit to serve as something that is very much part of our culture. And the hotels at the local level sometimes they get together and do projects. Sometimes they do it individually, but this is something that, that we do at least once a year, if not more often. So, there's a lot of commitment to this.

We also have something within Marriott called the business councils. We've got over a hundred of these, and these are groups where Marriott hotel leaders come together by region and they discuss initiatives that they can work on together. So, that's one side of it. Our associates are also really passionate about bringing it to life in the hotels for our customers.

So recently I was talking about the blue palace is one of our luxury collection resorts in Crete. And they actually invite our guests to join into community cleanup projects, tree plantings. And they even actually focus on our younger guests and get them involved with land and Marine experiences, specifically tailored through the kids' club, eco awareness activities.

And that's something that, that hotel, this is not a central program, right, that will come from me or my teams. But what I spend a lot of time thinking about with my team is: First of all, I talked about the data, how do we capture that and make sure that these stories come out? But also, how do we enable it and how do we give people kind of toolkits and resources to create these things? And to really harness that passion, that lives in our business, because this is an example among many. And being part of the solution is absolutely key to inspire our teams. We even ask about it in our associate engagement survey that we do. How aligned are you with how much the company cares, and the work that we do in sustainability? So, this is something that we measure and that we amplify as much as we can, for sure.

Jonathan Sullivan: One follow-up question. And then I'll switch back to Virginia: so much in corporations is designed to capture information, distill it in and push it back up. But sustainability and what we're actually doing broadly is something that should be shared as part of great messaging and branding back to the associates within a company.

How do you manage that again, through this very diverse and diffuse network of your own employees and associates that are working at the properties?

Arielle Quick: Yeah. It's a challenge, right? And especially when you're a company as big as ours. And I think what we do is we leverage a lot of the different forums. So, the business councils is one for sure. It's also making sure that our senior leaders are talking about it and that we need to capture these stories so that we can continue to drive that passion, and to also frankly, incent our hotels and our associates to



continue this work and to keep motivated. Because I think we would all agree on this call, it's a big task, right? I mean, there's so many different, so many different aspects of this. So yeah, it requires relentless focus, and then I'm quite proud at how far we've come in this, and the amount of work and resources that we're putting forwards.

Jonathan Sullivan: Virginia. One final question to you. 2021 was really a momentous year in I think driving awareness of sustainability across the travel industry and you and the WTTC were super instrumental in helping drive that agenda through. What's the best and your favorite story across the last year that you can retell us about a little piece of progress?

Virginia Messina: Thank you, Jonathan. Yes, we are definitely seeing that momentum that I was referring to. Well, there was a lot of stories probably around COP 26 and a lot of commitments being made. So, I think it's difficult to pick on a particular one. I think you have all sorts of great stories from some of our members that are protecting mangroves, that are making impact in the community. So, it's very difficult to pick one and it would probably be unfair.

But I guess if I kind of bring it up to the industry level and the progress that we're seeing, there are certain milestones being met and I think one particular one. We mentioned the net zero roadmap, with Accenture and that's not only because that's something we did, but there were a number of organizations involved with that. And I think, I mean that is going to really help this transition. So, I think that's definitely been a milestone in terms of our progress. And I think hopefully will help guide many companies in terms of what they need to do and what the challenges ahead are. And secondly, one of the challenges we identified is sort of the lack of data, right?

So, we always talk about obviously the positive side of travel and tourism, but we also know we contribute heavily to emissions, but up until now, there hasn't been a figure or a methodology that really reflects exactly the impact of travel and tourism on the environment. So that is one of the

challenges that we picked up actually earlier last year. And that's something that we have been working on. So, with our research partner, Oxford economics, we are currently in the process of developing a methodology that will tell us exactly how many emissions our sector produces, but we will be able to kind of update over time, to precisely track progress. Because I think we talk about transparency and we talk about the importance of data when it comes to these issues.

And I think that was a critical one. So, we're going to be able to track that not only at the global level, but also at the country level. So, I think that's really going to help us in this kind of momentum that we're seeing and to continue seeing many examples, like the Marriott one and many others that are really making a difference in our world.

Jonathan Sullivan: Well, thank you very much. And I'd like to thank each of you individually for taking the time to have a chat with us today. Arielle thank you. And best of luck with, with your momentous efforts, Virginia. Thank you very much. And thanks for moving the world along. And Jesko, thanks for making us all proud at Accenture and moving us forward. Really, really appreciate your time today.

So, thanks all for listening to Embark: Travel, Tech and Trust. Today was really about trust, and I trust that you'll listen in again at our next episode.

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