



POWERING TRAVEL | SEASON 3 | EPISODE 2

## Paving the way to Net Zero

### What to listen for:

Eco-friendly tourism is more important than ever — especially when it comes to decarbonization. In fact, research shows that without implementing carbon reduction strategies, emissions from the tourism sector could rise 25% by 2030.\*

Inspired by the possibility of a Net Zero future in travel — one that can be led by hotels — this episode dives deep into promoting sustainability in lodging. Alongside Accor's Xavier Guillemin and guest host Aditi Mohapatra, you'll learn that green travel initiatives aren't just good for the planet, they're good for business. After all, 90% of consumers are looking for sustainable options while traveling.\*\*

Tune into episode two now for insider advice and best practices in hotel carbon reduction to power sustainable travel. Plus, hear how to lead the sustainability charge by promoting green travel initiatives and creating environmentally friendly travel experiences at your hotel.

### Introduction:

[00:00:04] **Brandon Ehrhardt** Travel providers are the backbone of the travel experience. In this brand new season of Powering Travel, we'll dive into industry trends, hot topics and actionable advice to help business leaders continue evolving and enhancing travel experience, one trip at a time. Hello and welcome back. This is your first time here. Hope it's not. But if it is, I'm Brandon Ehrhardt, and this is Powering Travel, brought to you by Expedia Group. Today we have a very important topic to cover. And that's the path to net-zero and lodging. Since this is not a topic that is in my expertise, I've enlisted the help of Expedia Group's vice president of Global Social Impact and Sustainability, Aditi Mohapatra. I feel so lucky to have you join the show and to chat with us with this guest that we're going to bring on today.

[00:00:53] **Aditi Mohapatra** Thanks so much, Brandon. Thanks for letting me take the host seat for this episode.

[00:00:57] **Brandon Ehrhardt** My pleasure. Always good to bring in an expert. So for our listeners wondering what the vice president of Social Impact and Sustainability does at Expedia Group. Can you fill us in on what you do in your day to day?

[00:01:08] **Aditi Mohapatra** Sure. So I joined Expedia Group in 2021, and my role is really about bringing the best of Expedia Group to deliver social and environmental value. That includes building partnerships, investing in some profit activities, and really thinking about how we can leverage all that Expedia Group has to offer across the travel industry to shape a more inclusive, accessible and sustainable industry for everyone.

[00:01:31] **Brandon Ehrhardt** Some great reasons why you were the perfect guest host for this topic.

[00:01:35] **Aditi Mohapatra** Thank you. It really was an interesting discussion, and the optimism for moving the needle when it comes to climate change is so evident in the way that Xavier spoke about their initiatives at its core.

[00:01:45] **Brandon Ehrhardt** Perfect segue into learning about today's guests. So, Aditi, would you mind giving our listeners some background on the person you interviewed for the episode?

[00:01:53] **Aditi Mohapatra** So since 1995, Xavier Guillemin has been working in the event industry for several companies, including Disneyland Paris and Paris. When he joined Accor in 2010, Xavier was handling the loyalty offering for meeting planners and then sales and marketing strategy for the meeting and events worldwide market. Xavier has recently been appointed VP Global Sales Sustainability, where his role is to lead sustainability topics for all B2B markets for all Accor brands.

[00:02:16] **Brandon Ehrhardt** Very excited to listen to this conversation. So here is Aditi Mohapatra and Xavier Guillemin.

## Solving for decarbonization:

[00:02:26] **Aditi Mohapatra** So first, I think we're going to start really by thinking about and defining net-zero and decarbonization in the context of the lodging industry. What are some of the key considerations for decarbonization in hotels? What are the kinds of solutions that are required and which are readily available for any hotel to be able to adopt today?

[00:02:47] **Xavier Guillemin** That's one of the key topics that we're facing today. Net-zero and decarbonization, two different kind of IDs. Just knowing about the hotel group level, current level, we are committed to SBTi linked the global warming to 1.5 degrees related the COP21 in Paris. This is the main global project and commitment from the Accor side. Regarding decarbonization at the hotel level, this is where we are there to help and work closely with each one of our hotel in the network. We are there to make sure that we are developing a low carbon mindset. So by defining and proposing some different keys and opportunities to learn, we want to also develop the opportunity with our tenants to develop what we might call smart green hotels, take any opportunity that how and we can we will go deeper into topics, how actively we can go and decrease our carbon footprint, whatever from the energy efficiency, power energy consumption, all different opportunities. And by the way, consider using renewable energy and how can we help hotels to find solutions in that way.

[00:04:03] **Aditi Mohapatra** That's great. And thank you so much for sharing a little bit about a core sustainability commitment. Xavier, could you tell us a bit about your role?

[00:04:10] **Xavier Guillemin** So my role with our Accor is a bridge or a link between two type of team, two important team within it on one side a global sales, based around 100 people based around the world, taking care of our B2B clients, including Expedia, including corporate clients and meetings and event organizers, whatever you name it. And on the other side, the accessibility expert team focusing on social, on environments, on legal, and making sure that each one of the two teams do understand what the others are doing, what is the impact of sustainability within business and vice versa. So that's my role today.

[00:04:49] **Aditi Mohapatra** So maybe just for our listeners, you can share a bit of a description around SBTi and alignment with the Paris Accords. What does the, what are some of those acronyms mean and what does that mean in terms of the committee?

[00:05:00] **Xavier Guillemin** So we we said that SBTi is the science based targets index. So this structure is referring to what any company in any industry may commit to a reduce and being align to reduce their carbon emissions, align with the COP21, the conference of the parties organized in Paris for the carbon impact. We say that we want to reduce our carbon emission by 46 percent by 2030. That's precise commitment, 46 percent compared to 2019, which is our our

base. We have two different scopes of carbon emissions considering what's our responsibility and direct or indirect impacts, scope 1, 2 and 3. Our targets is minus 25 percent by 25, 46 percent by 2030. That is for scope 1 and 2. For scope 3, we said the commitment is 15 percent by 25 and 28 percent by 2030, and net-zero carbon by 2050.

[00:06:05] **Aditi Mohapatra** Amazing. Thank you so much for sharing those commitments in additional detail. And I know how challenging those can be. At Expedia Group, we just announced the committing to the science-based targets initiatives ourselves and setting our own interim science aligned goals and net-zero commitment as well. And so I know that that can be a challenging process to both set those goals and then, obviously get the business aligned to being able to reduce your carbon emissions in line with those very targets. With the what are some of the challenges that you're facing and the hotels are facing in pursuing decarbonization? And how are they overcoming some of those challenges?

[00:06:39] **Xavier Guillemin** Let's say that we have many hotel groups. We have franchised hotels and managed hotels. So we do not own buildings. So that is key to understand what are the challenges that we are facing because we are there as a service provider to the owners. So we are there to share any solution when it comes to building new towns, when it comes to servicing and or getting the right energy. But then there's the financial impacts and the investment decisions always rely on the owner decision. We are there to embrace and work as a team. So I would say that this is the main challenge in a way, is to make sure that we onboard everybody and the owners, the decision makers will work closely with us on this journey.

[00:07:25] **Aditi Mohapatra** And what are some of the ways in which you're helping those owners come on board, or are you offering education or tools to help them understand better what those supposed to look like and what some of those opportunities are?

[00:07:36] **Xavier Guillemin** Yeah. Opportunities to learn as an example, a practical example. Accor has been through an additional sessions in 2022, targeting only headquarter Accor employees. And 99 percent of us, we went through this learning journey and in 23 we had new sessions and we added all our general managers for the 5500 properties. So we want to have them all going through an online learning session to sustainability and diversity. That's one of the solutions that are to share our strategy and make them understand what are the challenges that we have in front of us.

[00:08:14] **Aditi Mohapatra** That's great. Very, very impressive. And then in terms of offering some of your franchisees as well as your own managed hotel properties, the incentives to start investing in decarbonization, what are some of the benefits that you expect for them to be able to enjoy in pursuing kind of the decarbonization journey and what should they expect?

[00:08:33] **Xavier Guillemin** It will vary between the different type of hotels. Let's say if I make it simple. We have two different type of properties. Some of them might be more focused on corporates and city center or airports or hotels where the majority of the clients are will be business travelers. And the second category will be more focusing on leisure travelers individuals. So the benefits for that is to make our hotels home body type. That strategy for the hotels more focused on business that we are facing one more request from clients or intermediaries to go through some certifications. So having the capacity to demonstrate and improve that the hotel has a green strategy will show the hotels the interest, because clients will send their properties and secure their business. There is one of the benefits of following such a strategy. And on the leisure side, this is increasing requests from individual bookings and even travelers to have real capacity to determine which kind of sustainability hotel they might choose and really get the direct experience. The choice, the pressure is there. So hotels will benefit from their choices and investment that are putting on these certifications.

## Prioritizing sustainability:

[00:09:50] **Aditi Mohapatra** That's really interesting. And yeah, I did want to dive into how we're starting to see some of the changes in traveler preferences for sustainable travel options. In 2022, Expedia Group Media Solutions team released a sustainable travel study which found that in our research, found that 90 percent of travelers are looking for sustainable options when making travel decisions. We also found that 70 percent of them are overwhelmed with the information that's presented to them, and I'm curious how that plays out at Accor. Are you seeing that kind of interest, or what are some of the trends that you're seeing when it comes to sustainable travel?

[00:10:26] **Xavier Guillemin** This is true that we have a really strong interest in the topic. What I would say is that we might see two steps which are really important. The first one is the online to search that clients are looking at. And as you mentioned in your study, they look for sustainable options. So we have to share that information. We have to be clear and we have to deliver that step in the right way. But the second step is the live experience. What we see is that clients are looking for what's real. I've selected a hotel which has been set as green or sustainable or certified, but I want to see the reality. This is what we have to take care about our clients and make sure that what we promised online is really delivered on site. That's the challenge when it comes to training people, making them understand when it comes to about local food, about no more single use plastic, and really having the capacity to explain that to our clients. There is nothing worse than a client was choosing a hotel because of its sourcing strategy online, and when they arrive on site, nobody is aware about it and nobody is able to answer any questions.

[00:11:45] **Aditi Mohapatra** Yeah. Super interesting to think about how the real experience and the lived experience has to match what they're seeing in terms of how you're communicating these efforts online. So what have you seen as being successful in that space, in terms of how providers are communicating their sustainability efforts online to travelers to be able to share with them what they're doing when it comes to environmentally sustainable practices? How is a core communicating some of their efforts to travelers, and are you using eco certifications, or are you seeing that play an important role? I know you mentioned that for business travelers. Are you seeing that as a key element beyond business travelers as well?

[00:12:25] **Xavier Guillemin** Yeah. A lot to share on this. We at Accor, we will soon release some information on our own websites about eco certification, because that is the key pillar of our strategy is to deploy, develop more and more eco certification through recognized certification bodies. We selected the globally two main players, which are Green Key and Green Globe. They are both recognized by GSTC, the Global Sustainability Tribal Council, in order to have recognized body which is auditing our hotels. So that's to to make things simple and clear, that is really a key for us. Thanks to these certifications that all our clients will be able to rely on an information which is all across Accor network. Some other hotel chains are taking the same path, but we are still in a step where a lot of information and different type of information can be displayed online on the different platforms. Sometimes some travelers might be confused about what's the info, what should I look at? So I'm quite confident that the travel industry will move forward. We are in the right way and we will soon clarify, harmonize and help travelers to better understand what is behind all these different type of eco certification and not going too much into details sometimes where some some travelers might lose themselves in too much info.

[00:13:59] **Aditi Mohapatra** Absolutely. So credible, clear, consistent information. Sounds the areas of focus for what were Accor is I would say for Expedia Group, very similarly, we're looking to provide consistent, clear, credible information to our travelers as well about what types of sustainable options exist out there and how they can navigate those. We did launch an eco certification filter. So also think it's really important to be able to offer our travelers the opportunities to source and search for properties that have earned those eco certifications. Understanding the importance of that third party kind of verification element, and making sure that whatever information we're providing to our travelers is viewed as credible. I wanted to talk a little bit about what some of the best in class examples look like for you, and what you're seeing in Expedia Group's Traveler Value Index in 2023. We pulled a variety of different travel

providers from across the various industries, and found that a close to 40 percent are already actively reducing their overall environmental impact. So we're starting to see many travel providers invest more and more in this space. In your opinion, which are some of the travel providers, maybe besides Accor, which are also leading the way in reducing carbon emissions?

[00:15:15] **Xavier Guillemin** My first comment is on the 39. You said close to 40, 39 percent. For me, it's fairly low. We should be closer to 80, 90 percent. So I'm quite convinced that this in the next year will be will be higher. More and more or two years hotel groups, whatever they size, are really working on. What kind of operations can they modify? How, how can they better work on their carbon emissions? Club Med is quite known and the majority of their resorts have been certified green globe. This is possible and this is hard and long work for the operations on site. But this is really that kind of strategy. Then after when when talking about the travel operators, then you have one of the key one, the heaviest one regarding carbon emissions are the airline companies. And I know that they started to work on it. But so reducing today is still a challenge because solutions on the fuel is still under starting their experience on this one. So that's why maybe it is still a lot to do, but I'm quite confident that we will all together reach net-zero carbon.

### The roles technology plays:

[00:16:23] **Aditi Mohapatra** Yeah. Definitely appreciate that optimism both about where the industry is headed as well as hopefully what our Traveler Value Index will show next year in terms of investments in the space. And Expedia Group, we're constantly thinking about the role of technology and how technology can advance and innovate, maybe in some of these areas to provide us with new opportunities that maybe we haven't thought of today. And in sustainability, we know that while efforts are underway, we need to accelerate, we need to move quicker, we need to move at scale. And is there a role for technology, in particular, is there role for elements like artificial intelligence or AI in helping us to advance and accelerate sustainable travel overall?

[00:17:03] **Xavier Guillemin** For sure, technology, our purpose is already helping us. When you have a network of 5500 hotel, there's still space for improvements. We have basic systems, technology systems that will help us to reduce our energy consumption to be deployed in 100 percent of volatiles. To give you an example, the sensors that will detects the presence of someone in the room being and having the capacity to switch on the lights or switch in the air conditioning. This is something really key, and I can tell you that this is not deployed in 100 percent of our meeting rooms, because there isn't that kind of space that if you need to switch off the lights when you do it at night, you do it at home. Sometimes when you're not at home, you're in between space, you might forget about it. So this is simple things that we we should deploy, then after yes, you're right. So true is there artificial intelligence will help us to better fight against these carbon emission and other topics. I can give you an example, which is the food waste. This is also an hot topic in our restaurants, and we set it to work with different startups using AI in order to take pictures and weights the food that we are throwing in order to help identifying what are the elements which are in the bin, obviously their their weights in order to readapt or rethink the way we produce food, the way we serve food, the menus and everything. This is only the beginning with artificial intelligence for all of us. There's so many different things that we're going to learn and we're going to change things to that. And I'm sure that is part of the solution for climate change is artificial intelligence.

[00:18:48] **Aditi Mohapatra** Super interesting that application in the food waste space. It's a great example of of how AI can be deployed to help us accelerate sustainable travel overall. So thank you so much for that. And then when we were thinking about areas of opportunity, what are some of the key areas of improvement that you see that the industry could focus on and maybe how have you seen a Accor address those? But where would you like to see some of that scaled across the industry overall?

[00:19:13] **Xavier Guillemin** We need to have all together between decision makers, our clients, corporate clients, associations, whatever and platforms, intermediaries and suppliers who find the right way to facilitate customer information, customer decision process, to speak with a clear message, clear indicators. So we are in a period where the

messages are quite complex. We aim to do good and clear things, but it's not clear enough yet. That's what I'd love to see in the near future to find common structures, common decisions, and the clarifications for all of us and for our clients. This is the the aim is for the clients.

[00:19:59] **Aditi Mohapatra** I know there are many efforts underway. Expedia Group is participating in a collaboration called Travel List, where we are working amongst a different online travel agencies to provide some consistency in how we're collecting information from our hotel partners and displaying that information to our travelers, but that's one small step in many that need to be taken across the industry. So definitely understand that challenge and that opportunity as well.

[00:20:24] **Xavier Guillemin** For sure. I'd like to do.

## Diversity and inclusion:

[00:20:25] **Aditi Mohapatra** So in terms of focusing on people, which I think is incredibly important. One of the areas of sustainability is diversity and inclusion. And curious how you're thinking about that at Accor and how you're prioritizing those efforts.

[00:20:38] **Xavier Guillemin** You're right. This is really key. First, as mentioned, we really care about our employees. We have more than 300,000 people working for I call directly or indirectly within franchise and managing properties. We have a huge variety of people working for us, and we really care for them for so many different topics about. So making sure that everybody is aware about our strategy, going through the learning opportunities that we offer. We call that School for Change. Having the opportunity to learn online about sustainability, diversity and inclusion. We have, for example, one clear targets for all of us, which counts for our bonus for headquarter team is the percentage of women in leadership committees, which is 39 percent. It was the target semester that we reached for 23 would be 40 percent, which might be a surprise to see that it's only one point more from one year to another, because it's full and long process to make sure that we open the doors to women in such positions, not targeting anybody and making sure that we have the right person, including opportunity for women to, to be, that, that kind of position. I'm sure we will reach a 50 percent soon.

[00:21:53] **Aditi Mohapatra** So wanted to to wrap up with some of the takeaways and kind of key actions that we can offer our partners who are listening to today's podcast about how to invest in sustainable travel efforts. And maybe we can start with just some of the advice that you might have for hotel operators who are just getting started on their sustainability journey, or maybe don't even know where to begin. What are some of the kind of key areas of focus that you would recommend to them?

[00:22:18] **Xavier Guillemin** I say that's a human first. Human first, because a lot is happening in the field in the operations thanks to individual IDs, motivations and beliefs. Listen to your team, then starts helping them, train them and to educate them in order to have everybody onboarding. That's for me, the first key to make them aware about what they can do and how important they are in the guest experience. Then after when we start talking about specific things like food waste, like carbon emission, like water energy, there's local impacts start to measure. What what's your energy consumption, what's your water consumption, what's and all these. And once you have your first measure then you can say okay we're going to reduce by x y z next year and follow the different steps. If you don't follow these steps, if you don't have your team onboard then cannot be a success.

[00:23:15] **Aditi Mohapatra** That's fascinating. So you are setting goals and targets, educating employees about those, and then really holding yourselves accountable by linking that to your compensation structure within headquarters as well. That's really great and definitely leading practice in this space. So great to hear about that. What is the next trip that you're planning on taking? Tell us a little bit about that.



[00:23:37] **Xavier Guillemain** That's a very good question because I'm always asked about what's your trip? Honestly, I have no trips plan and organized yet because the majority of my trips I do them online for business purpose. The next one I know should be next summer might be in the US attending an important events. We are a member of GBTA, that will be an opportunity to participate in discussions with all the professionals in the industry and the Business Travel Association.

[00:24:06] **Aditi Mohapatra** Thank you so much again for for joining us for today's conversation. Really appreciate your expertise and your insights and all the great work that that you're doing over at a course. So thank you so much for that.

[00:24:16] **Xavier Guillemain** Thanks Aditi. Thank you.

## Final thoughts and key takeaways:

[00:24:21] **Brandon Ehrhardt** Wow, Aditi, you guys covered some ground. Such a huge topic. One we touched on in season one. I'm so glad we could bring it back. You two could have gone on for hours, but one of the topics that stuck out to me was when Xavier mentioned how AI is being used to determine food waste so that restaurants can adapt using real data on what they're throwing away. No idea this was even possible. Sounds like a fantastic.

[00:24:44] **Aditi Mohapatra** It's incredible, isn't it? I mean, for me, the part of the conversation that I continue to find many of our partners talk about is when we talked about how traveler expectations have to meet what providers are actually providing when travelers are visiting those locations. Otherwise, those travelers will have an experience that they may not be exactly what they had hoped for. So it's also really important to understand that while we're working to communicate clearly to travelers, there is actually an immense amount of work that travelers won't see and don't see. And so it's great that we were giving a little bit more space to celebrate that with a conversation with Xavier.

[00:25:18] **Brandon Ehrhardt** Exactly. It feels like maybe a little bit more acceptable or allowable or we're all on the same side when we're celebrating sustainability. So I love that you brought up the eco certification filter. That's something I knew. That was a recent launch. So first congrats. Second, tell us how you got that over the line and into the platform.

[00:25:36] **Aditi Mohapatra** Yes, Brandon, this is definitely a really valuable first step. And an example of our teams actually listening to our customers and what they were interested in, who are expressing a desire for more information on sustainability, as well as listening to our partners that want to make sure that their success is related to sustainability are visible to our travelers. We had to align with our industry peers to make it happen because sustainability, of course, isn't something that Expedia Group can just define on our own or in a vacuum. Allowing our travelers to filter for eco certified hotel properties is a great example of all of our goals being realized together across our platform and providing a better experience through credible and concise information for our travelers.

[00:26:17] **Brandon Ehrhardt** Such a great interview. Of all the things that we touched on, is there one thing that we didn't that you want to make sure this audience takes away?

[00:26:26] **Aditi Mohapatra** Yeah, well, I took so much away from the conversation, and it's so validating for me to be able to connect with people in the industry who are really getting to the core of making change happen for the greater good of the planet. For those of us who do this work every day and understand how pressing these issues around climate and sustainability are, it's really important to be able to hear the actionable takeaways that Xavier so generously offered our listeners. And it reminds me that while there's so much work yet to do, there are many people across our planet who are taking steps towards the right direction.

[00:26:57] **Brandon Ehrhardt** It's awesome. Incredible episode. Love the takeaways. Now, Aditi, I don't know if you knew this or not, but I actually just tend to live vicariously through the guest host. So you asked Xavier. Now I've got to ask you, where are we going on our next trip?

[00:27:11] **Aditi Mohapatra** Yeah. Well, you know, what's great about recently is we had some phenomenal trips this year, so it's going to be really exciting to plan where we're headed next. But this past year, I wanted to share. We went to Argentina, we hit a Patagonia region. We also went to Costa Rica where I discovered that we are definitely a family adventure type crew. And then most recently, we visited our family in Florida for the holidays.

[00:27:35] **Brandon Ehrhardt** Oh that's awesome! I hope to hear more about this Costa Rica trip. So thank you so much for taking the role of a guest host on this one. Got quite the talent for podcasting. Maybe you should take over my chair next year.

[00:27:47] **Aditi Mohapatra** It was my pleasure. Thank you so much for having me. I really appreciate it.

[00:27:50] **Brandon Ehrhardt** And as always, we want to hear from you. So let us know what you thought of the podcast by emailing us at [PoweringTravel@Expediagroup.com](mailto:PoweringTravel@Expediagroup.com). Poweringtravel@Expedia group.com. If you've got a few seconds, be sure to rate and review, helps people like you find our show. Thanks a lot for listening. We'll see you next time on the Powering Travel Podcast, brought to you by Expedia Group.