



## **Intrepid Travel’s Carbon Management Plan: A Case Study**

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### **Background**

Intrepid Travel operates small, group adventure trips worldwide. Commencing in 1989, Intrepid has grown to now take around 100,000 travelers on a range of trips to more than 100 countries. We employ more than 1,000 staff members and have offices around the globe. As things have changed and grown, Intrepid's philosophy has stayed the same – to provide the best value small, group adventures in the world.

Intrepid Travel has a long track record of innovation in sustainability. We are renowned for our responsible travel approach in our operations – managing our environmental, social and cultural and economic impacts. We aim to have the most effective systems and good governance practices in place to help us understand and manage our impacts on society and the environment, and we are committed to working against corruption in all its forms. We see the adherence to our sustainable development policy as essential to the way we operate our business, live out our core values and achieve our purpose and work toward our long-term vision.

In 2006, Intrepid Co-Founder and Director Darrell Wade had his “moment of truth” around facing climate-change realities. In recognizing that as a business, we encouraged people to get on planes and fly across the world to take Intrepid trips, Darrell felt that we had to make some bold and effective plans to take responsibility for our emissions and make reductions where ever possible. The decision was made for Intrepid Travel to become carbon neutral, company-wide, by the end of 2010. The groundwork for how we would get there came later!



### **Carbon Management at Intrepid**

Intrepid recognizes that climate change is one of the most urgent problems facing our world today and that the tourism sector is a growing contributor to the problem. As a

travel company that creates and promotes holidays within the tourism sector, we see it as our responsibility to ensure that the negative impact we have on global warming is minimized and that we work toward sustaining our environment; therefore, as a business we made a commitment to tackle climate change through the development of our Carbon Management Plan.

An extraordinary amount of thought and effort went into the roll out of our Carbon Management Plan within a four-year period. In 2008, we became a signatory to the United Nations Global Compact and part of our commitments included working toward environmental sustainability by addressing climate change. By late 2010, we were very proud to announce that we'd become a carbon-neutral company!

Our Carbon Management Plan supports the practice of our company's core values, including operating our business in a sustainable manner. It also contributes toward addressing our environmental commitments under the United Nations Global compact, which in turn works toward the seventh Millennium Development Goal of "ensuring environmental sustainability."

### **Carbon Management Plan Outline**

The first step in our journey toward carbon neutrality was to measure our impacts. Intrepid undertook an extensive Life Cycle Assessment (LCA) on the business to understand where our environmental impacts were. We found that our main carbon emissions came from:

1. Our corporate/office sites
2. Our trips
3. The flights that passengers were taking to meet our trips

We chose to include the sources of the following six gases (where appropriate) covered by the Kyoto Protocol:

- Carbon dioxide (CO<sub>2</sub>)
- Methane (CH<sub>4</sub>)
- Nitrous oxide (N<sub>2</sub>O)
- Hydro fluorocarbons (HFCs)
- Per fluorocarbons (PFCs)
- Sulphur hexafluoride (SF<sub>6</sub>)

We report emissions of these gases in units of carbon-dioxide equivalents (CO<sub>2</sub>-e).

We then created a plan to help us manage our impact on climate change. Here are some of the actions outlined in our plan:

#### **1. Corporate/Office**

We have adopted the following principles to manage the environmental footprint of our offices and stores globally:

**Measure:** We measure our emissions – everything from electricity, gas, waste and business travel to paper usage – from ALL our global offices (20 international offices and ten domestic offices/sites). See the Corporate Greenhouse Gas Inventory below.

**Avoid:** We adopt energy-efficiency measures, such as automatic computer shut off at 8 p.m. for head office staff and Skype conferencing rather than traveling for face-to-face meetings.

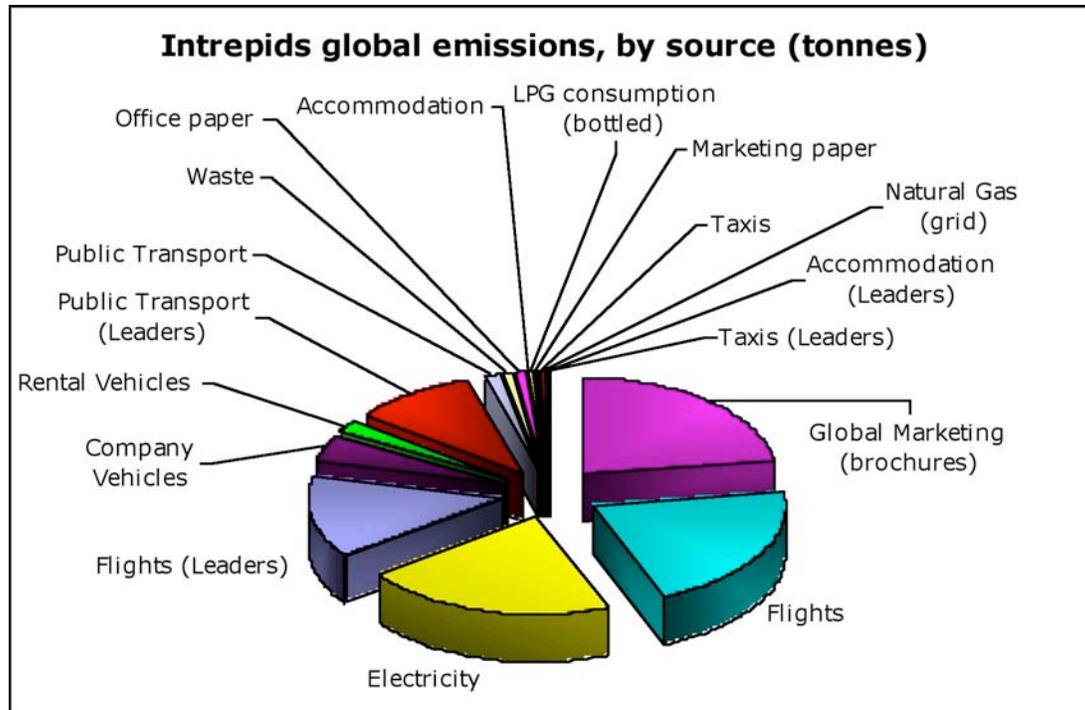
**Reduce:** We're reducing the number of business trips we take, paper we use and waste we generate.

**Offset:** Whatever we can't avoid, we offset by investing in high-quality renewable energy projects, which benefit the local community.

*Intrepid-owned properties and leased properties, where Intrepid has operational control over light and power, are incorporated; however, Intrepid is not able to claim full operational control of base power of a leased property (such as power used for elevators, air conditioning and central heating) unless Intrepid is the sole tenant.*

<b>Corporate Greenhouse-Gas Inventory</b>
<b>Scope 1 (Direct Emissions)</b>
Gas consumption, often used for heating, water heating and cooking
Fuel consumption, as used in owned vehicles
<b>Scope 2 (Indirect Emissions)</b>
Electricity, as consumed by the offices directly, which is usually used for lighting, HVAC (heating, ventilation and cooling), office equipment, appliances and sometimes water heating
<b>Scope 3 (Optional Material Emissions)</b>
Fuel consumption from the use of taxis, public transport and aircrafts
Electricity consumed in hotels during business travel
Waste generation and disposal
Paper use

After following the above actions to reduce our corporate footprint, Intrepid Travel globally produced a total of 1988.84 tons CO<sub>2</sub>-e in the 2010 Australian financial year, which we have subsequently offset. The pie chart below shows the sources of our office emissions in the 2010 financial year.



Although our emissions from business flights, brochures and company vehicles increased from the previous year, we managed to reduce our overall emissions from electricity and waste, as well as divert more waste from landfills by recycling. We are hoping to achieve further reductions in the future by changing our everyday behaviors in the office when it comes to energy use, business travel and waste disposal.

## 2. Trips

All trips directly operated by Intrepid Travel are carbon offset – that’s almost 500 trips. We have measured and offset the main sources of the emissions created on our trips by our passengers. Where measurement was not possible, we carefully extrapolated this information. The trip components assessed were:

- Transport
- Accommodation
- Waste

Our trips are generally low-impact by design. We use public transport where possible, stay in locally owned and simpler styles of accommodation and eat at locally owned eateries where the food has been locally sourced (therefore reducing food-mile emissions).

In the 2010, we offset 25,000 tons of CO<sub>2</sub>-e emissions of our passengers' footprint – that's equivalent to taking 5,000 passenger vehicles off the road for one whole year.

### **3. Flights**

We offer customers an opportunity to offset the most carbon-intensive portion of their trip – their flight. When customers book their flight through Intrepid, we offer an offset component to their airfare. From 2007, Intrepid has managed to offset more than 45,000 tons of emissions through our flight-offset program. That's investing more than AUD\$500,000 in renewable offset projects from this program alone.

### **Methodology**

Intrepid has used methods based on the World Resource Institute and the National Greenhouse Accounts Factors (from the Australian Government's Department of Climate Change, 2008). Flights are measured as per 2008 Guidelines to DEFRA's\* GHG Conversion Factors: Methodology Paper for Transport Emission Factors, 2008. The flights are measured region to region and take into consideration Great Circle Distance (GCD) and Radiative Forcing Index.

*\*DEFRA – UK Government – Department for Environment, Food and Rural Affairs*

### **Staff Resource Commitment**

#### **1. Responsible business manager role**

- Overall facilitation and management
- Definition of scope and boundaries
- Updating management plan and carbon factors
- Contracting of offset provider
- Distribution and calculation of carbon worksheet
- Providing training and information on how to reduce carbon
- Website maintenance
- Reporting

#### **2. General managers (covering 30 offices)**

- Responsible for overall carbon management at their offices
- Drive carbon-reduction activity
- Ensure finance teams have filled out carbon worksheets

#### **3. Finance teams globally**

- Fill in and submit carbon worksheets globally

#### **4. Operations and destination managers**

- Provide trip information that allows carbon to be measured on each trip
- Seek ways to reduce carbon on trips through design of the product
- Ensure that environmental audits (Annual Responsible Travel Evaluations) are completed on each trip

## 5. Responsible travel manager

- Prepare policies and training material that supports the embedding of environmental sustainability practices into Intrepid trips

## 6. Leaders and sales staff

- Relay our commitment to reduce our impact on climate change to customers and potential customers
- Encourage customers to offset flights and also minimize their footprint

## Some Outcomes

The process undertaken to become carbon-neutral was the result of careful planning and execution. There were significant monetary contributions (more than AUD\$970,000 across three years) on behalf of our sector, travelers, suppliers and staff members to seven different internationally certified carbon-abatement projects. This in turn, contributed to:

- The development of local communities through infrastructure development around the carbon-abatement projects;
- Improvement of the environment of the local communities by providing an alternative to fossil fuels and therefore producing less pollution;
- Generation of employment for local people; and
- Increased energy availability and accessibility to communities with improvements to quality of life.

Our carbon credits are obtained by investing in internationally accredited Voluntary Carbon Standard (VCS)-compliant projects that are based in some of Intrepid's most popular destinations:

- Bargaran Mini Hydro and Jamnagar Wind Power projects, INDIA
- Macahoe and Sichuan Province Hydro and Quzhai Waste recovery projects, CHINA
- Rice Husk Biomass project, THAILAND
- Callahuanca Hydro Efficiency project, PERU

We are adding two other projects to our list in 2011:

***Biomass Project (BRAZIL)*** will address the significant deforestation problem in Brazil, saving 24,000 tons of native wood simply by swapping wood for renewable biomass alternatives such as peanut shells and sawdust to fire the ceramic plants across the country.

***Hydro project (VIETNAM)*** will construct a new 3km road and directly supply clean electricity to 50 households living near the project and will devote part of its revenue to a local poverty-reduction program.

The Carbon Management Plan also created awareness of the importance of addressing climate change amongst our stakeholders, including staff members, passengers and suppliers, by engaging them in addressing the issue through the Intrepid business.



## Some Challenges

There were a number of challenges in rolling out our Carbon Management Plan across the company, but the two biggest hurdles were:

- Finding a way to measure the footprint of 30 global offices, our entire trip portfolio and all of our passenger flights was a huge and lengthy undertaking. Our processes needed to work for a wide variety of locations. It took much trial and error before we found a simple, effective solution.
- Because of the global nature of our business, we experience language difficulties communicating the concept of climate change (and consequently our Carbon Management Plan) to our various stakeholders. To address this issue, we developed illustrated training materials to help us effectively communicate, regardless of spoken language.

We are constantly reviewing and improving our Carbon Management Plan to simplify the process and improve efficiencies. We make changes to address any issues as they become apparent.

The most important factors contributing to the overall success of our Carbon Management Plan are:

- Support for the project from the top. Even during the global economic slowdown, there was still unwavering support from Intrepid's co-founders and senior management group.
- Staff support from all different areas of the company, including finance, product and operations, sales and marketing, who devote their time and energy to seeing that Intrepid ensures environmental sustainability at our operating destinations.

## Ensuring Sustainability is Ingrained in Our Culture

At Intrepid, we're genuine about engaging in responsible, sustainable operations and management at all levels.

We've integrated respect for the environment into our company culture in a variety of ways, most notably through the company's core values – staff members are rated on their contribution to environmental and social sustainability in their annual performance reviews.

Also, the carbon-neutral objective and Carbon Management Plan (outlined above) were put forward by our passionate Co-founder Darrell Wade and were announced as a company-wide goal. This ensured there was wide support from all staff to get behind it.



Other smaller initiatives to engage staff include:

- A global office competition for the smallest environmental footprint;
- Annual sustainability awards for staff; and
- Monthly incentives for staff to offset client flights.

We've also integrated our environmental commitment into our web site, newsletter, trip notes for passengers and instructions for group leaders.

All these little initiatives help to build a culture around respecting the environment and working toward its preservation.

### **Working with Suppliers**

Through our Carbon Management Plan, we try to engage our suppliers to also address the issue of climate change. One of the ways we are working with suppliers is through our partnership with Rainforest Alliance. Rainforest Alliance helps train our suppliers (mainly accommodation providers) in South America to operate in a more sustainable manner, which aims to benefit the environment, communities and businesses.

### **Independent Review**

To ensure that our Carbon Management Plan adequately addressed our carbon footprint as a business, we sought an independent review on the plan from Price Waterhouse Coopers (PwC). PwC findings were positive overall, which sees our methodology closely following the tough new National Carbon Offset Standards set by the Australian Government.

### **The Bigger Picture**

We hope that we have set a high benchmark for our industry, one that we expect others will meet and exceed for the sake of our environment. We also see our voluntary actions in tackling climate change, alongside other Australian businesses, contributing to the progression of climate-change talks and actions at the federal level of our government.

As a company, we will continue to live out our values, which include operating in a sustainable way, address our United Nations Global Compact commitments and be accountable for the impacts we have on our people and environment. The Carbon Management Plan is just one of the initiatives we have embarked on to help us successfully realize these goals.