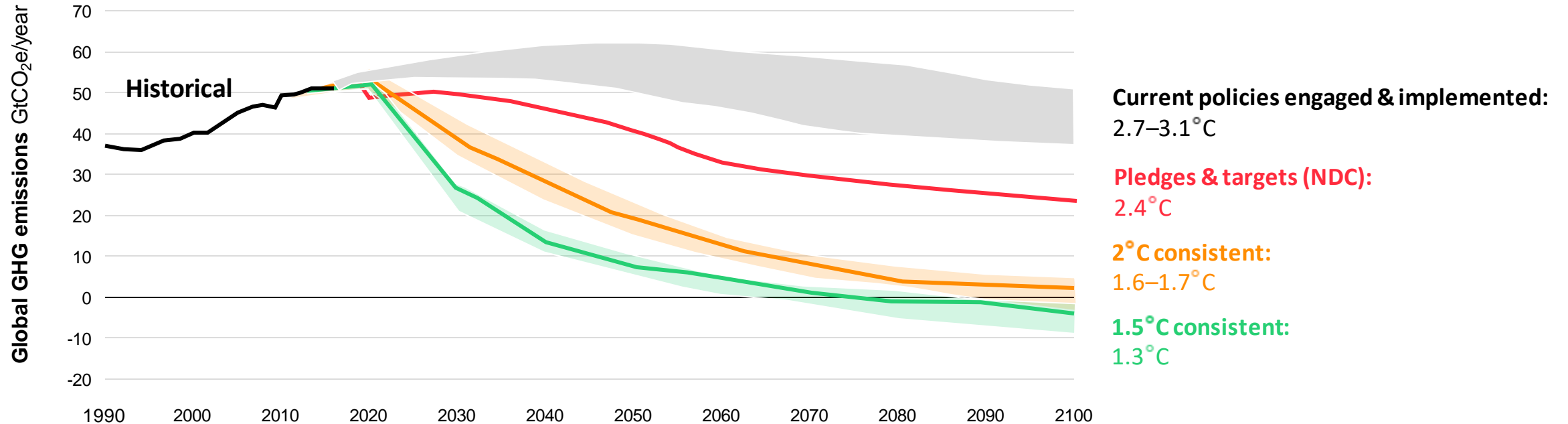


WHERE DO WE STAND?

WITH CURRENT NDCS FOLLOWING PARIS AGREEMENT: TEMPERATURE WOULD INCREASE BY 2.4° BY 2050 ABOVE 1.5°C LIMITS

2100 Warming Projections

Emissions and expected warming based on pledges and current policies



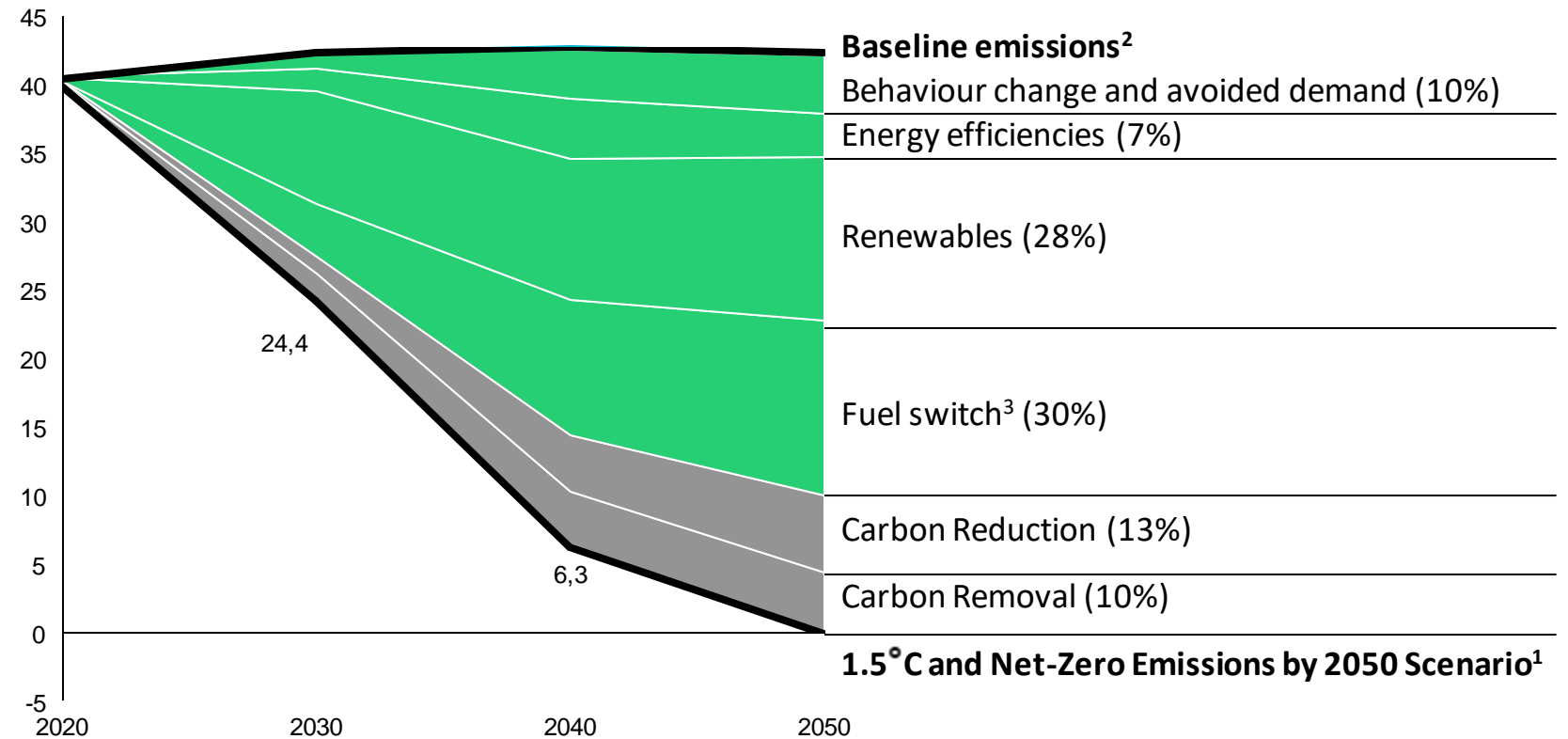
43 GT CO₂ NEED TO BE REDUCED BY 2050

**ALL ACTIONS ARE
NECESSARY TO
MAKE
IT HAPPEN:**

**FROM BEHAVIOR
CHANGE TO
IMMEDIATE
COMPENSATION**

Predictions for 1,5°C and Net-Zero Emissions by 2050

In Gt CO₂, 2010–2050



1. IEA scenario and agriculture added from IPCC 1,5-degree target emissions scenario from OW climate action navigator (estimations for 2020-2050); 2. From IEA scenario with agriculture added; 3. switching from coal and oil to natural gas, nuclear, hydropower, geothermal, concentrating solar power or marine. Sources: IPCC, OW Climate action Navigator, IEA Net-zero scenario 2020 report, Oliver Wyman analysis

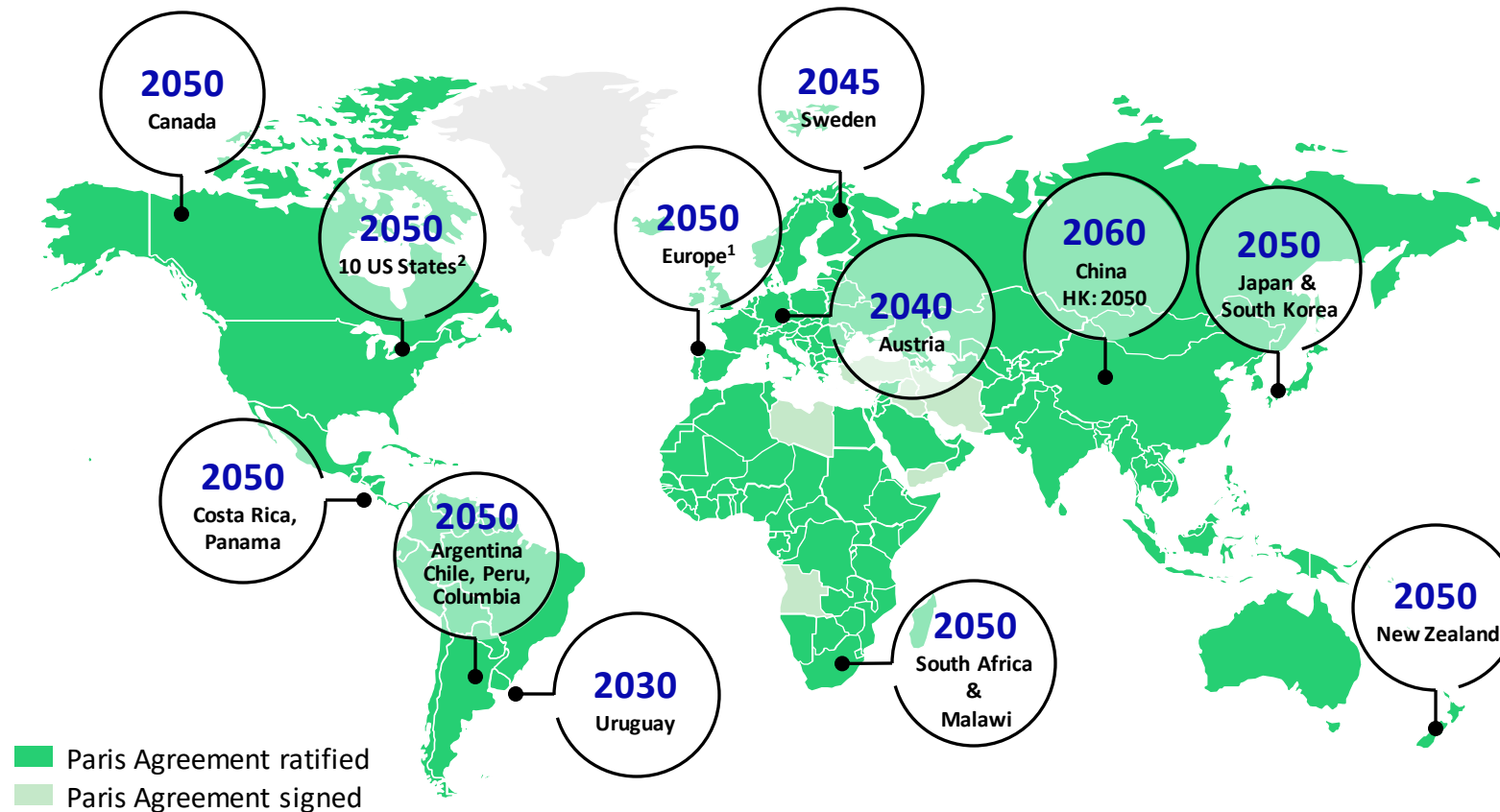
STRONG MOMENTUM SINCE 2018 TO LIMIT GLOBAL WARMING

	Key actions	Key figures
NATIONAL COMMITMENTS	Align all countries' target with 1.5° ambition and be seen as a floor: emissions reduction should be at least the stated amount	70% of CO2 emissions subject to net zero commitment by 72 countries
COMPANY/ VOLUNTARY COMMITMENTS	Use actionable tools to commit to internal reduction or net-zero targets, e.g. credit mechanisms and internal carbon price to reach voluntary targets	50% of top 500 companies in market cap have internal carbon price
INTERNATIONAL/ SECTOR ENGAGEMENT	Commit on comparable targets for all international sectors outside national / regional regulation, e.g. international aviation	CORSIA* & IMO plan offset international flights & sea freight GHG emissions
CARBON FINANCE	Financial system plays as an accelerator and has an important role to play to encourage and incentivize credible transition	20–30% of lending portfolios need to be adjusted to align to Paris by 2030
FUNDING OPTIONS	Emerging funding initiatives for carbon reduction and removal initiatives, mostly in the US and in Europe, UK	\$35–50 tax credit by ton of CO2 stored & reused in the US

*Carbon Offsetting and Reduction Scheme for International Aviation

~70 COUNTRIES HAVE TAKEN NET-ZERO EMISSION COMMITMENTS, MOST OF THEM FOR 2050, +30 SINCE 2019

Commitments for Net-zero carbon emission by country



Increasing commitments for 2030

EUROPE: Reduction at 55% from 1990 level by 2030 (substantial increase compared to existing target of 40%)

US: New target at 50–52% reduction from 2005 levels

UK: 68% reduction from 1990 level by 2030

1. Europe except Albania, Belarus, Bosnia & Herzegovina, Moldova, North Macedonia, Russia & Serbia: (no target), Ukraine (2070), Sweden (2045), Finland (2035), Austria (2040)
2. Michigan, Montana, Washington DC, Washington, Louisiana, Massachusetts, Nevada, New York – California & Hawaii in 2040
Sources: Carbonbrief.org; Bloomberg; Oliver Wyman

FORWARD LOOKING, GAME-CHANGING IMPACTS ARE EXPECTED ON BOTH CARBON COMPLIANCE AND CREDIT MARKETS AND WILL DRIVE BOTH CARBON TRADED AND PRICE

	Key changes expected	Key figures	Expected impacts
Compliance	Emerging ETS/carbon tax systems in other geos	4 <i>new regional systems in the US planned in 2022</i>	↗
	Increased number of sectors / covered	~40% <i>emissions covered in Europe today</i>	↗
	Carbon border adjustments	94% <i>of EU industrial emissions covered by CBAM</i>	↗↗
	Stronger pressure on carbon prices to reach targets	\$50/tCO2 <i>reached in 2021 in Europe, all-time high</i>	↗
Credits	Integration of credits in international schemes	2.7Gt <i>CO2e compensated by CORSIA by 2035</i>	↗↗
	Rise of voluntary pledges and engagements	1600 <i>companies with net-zero pledges</i>	↗
	Market structuration and polarization (high-/low-value credits)	200k <i>high-quality credits invested by Microsoft</i>	↗↗

+19%

Stock price resilience of high-CSR firms compared to others, during Covid-19 crisis

~80%

of consumers are willing to pay a 5% premium for green products

5x

faster was the growth of products marketed as sustainable (2013-2018)

74%

of employees find a job more fulfilling when involving a positive impact

WHY **SUSTAINABLE COMPANIES** PERFORM BETTER



Value proposition

Powerful identity, inspiring to all stakeholders



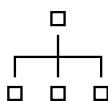
Revenue model

Brand value enhancement, supporting more resilient business models



Scope

Stronger ecosystem involvement, for shared sustainability roadmaps



Organization

More inclusive cultures, focused on long term

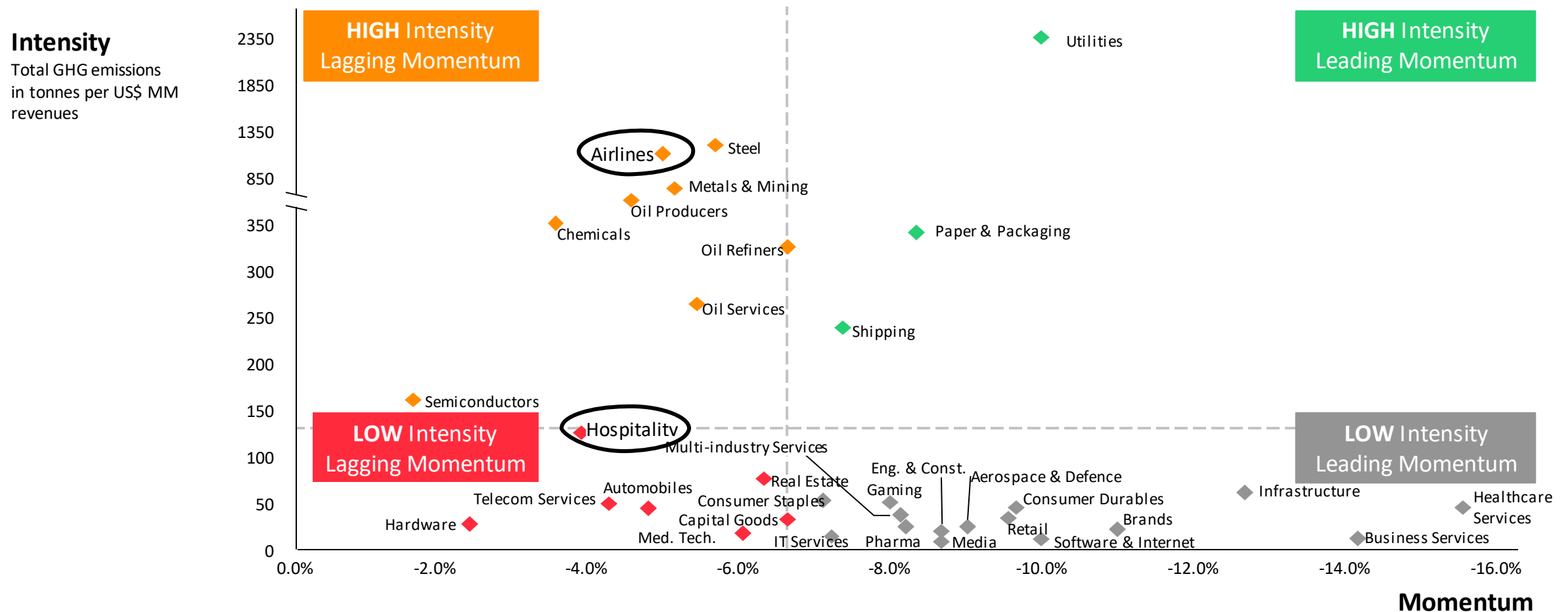


Strategic control

Differentiation from GAFA and **resilience** to crisis

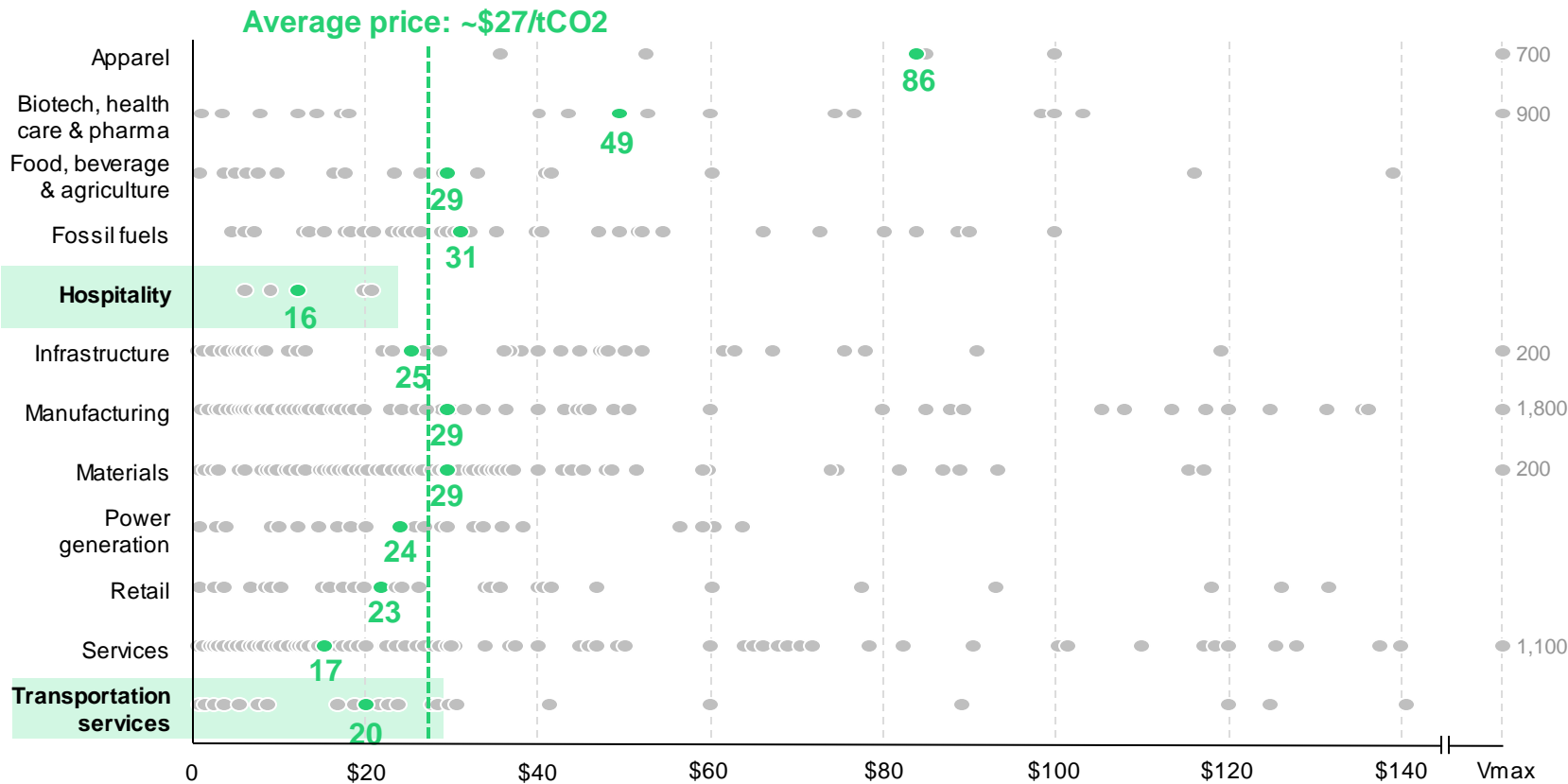
TRAVEL & TOURISM IS LAGGING BEHIND OTHER SECTORS IN DEVELOPING NET ZERO PLAN; MOMENTUM IS REACHED MOSTLY BY LOW-EMITTERS

Sector-level emissions intensity vs. momentum (2015–2017)



INTERNAL CARBON PRICES VARY ACROSS SECTORS: AVERAGE ~\$20-30/tCO2 IS CLOSE TO COMPLIANCE MARKETS

Internal carbon price across industries 2020, In \$/tCO2



24\$/tCO2

Average internal shadow price is close to compliance market

Note: In the above graphic, the grey dots represent individual internal carbon prices applied by companies responding to the CDP survey (private responses are not included). Responses are organized by trade category, and median price points per category indicated in green. Source: World Bank

OUR 5 URGENT ACTS

SUSTAINABILITY SHIFTS COMBINED WITH FORUM DISCUSSIONS



OUR 5 URGENT ACTS

A continuous approach
starting at the industry
baseline established at
AWFT21

THE SPIRIT OF EVORA

**EVERYONE ACTS
FOR REAL CHANGE
IN SUSTAINABLE
TRAVEL & TOURISM**

- **LISTEN TO THE INDUSTRY'S CALL** FOR ACTION AND TAKE CONCRETE ACTIONS TOWARDS PROGRESS
- **IDENTIFY AND FOCUS ON 5 ACTS** WHICH ARE THE MOST PRESSING ISSUES IDENTIFIED IN EVORA
- **COMMIT TO MAKING A DIFFERENCE:** UPDATING OR IMPLEMENTING OUR PLANS TO ALIGN TO OUR ACTS
- **REPORT OUR PROGRESS** AGAINST INTERIM AND LONG TERM TARGETS, AS WELL AS ACTIONS BEING TAKEN
- **ACT AS AMBASSADORS** FOR SUSTAINABLE TOURISM



OUR **5 URGENT** ACTS

1. OFFER **RELIABLE CARBON COMPENSATION** OPTIONS / INCENTIVES
2. COMMIT TO A **CARBON REDUCTION PLAN** FOR EVERY SECTOR
3. PRIORITIZE **INVESTMENTS** TO DEVELOP SUSTAINABLE TOURISM
4. INVITE **COMMUNITIES** TO CO-DESIGN TOURISM SOLUTIONS
5. ACCELERATE & STRENGTHEN **LOCAL SUPPLY CHAINS / ECOSYSTEMS**

An aerial photograph of a lush green forest with a narrow, winding path that leads through the trees. The path is light-colored, possibly a dirt or stone trail, and curves gently through the dense foliage. The trees are tall and leafy, creating a canopy of green. The overall scene is peaceful and natural.

1.

OFFER **RELIABLE CARBON COMPENSATION** OPTIONS / INCENTIVES

~10%

Of airlines offer Voluntary Carbon Offsetting to passengers

63%

Of travellers have never been offered a carbon-offset scheme on a flight

36%

Would be willing to pay to offset the carbon footprint of their flight if made available

“

Decarbonisation and carbon removal is #1 priority: experts recommend tax incentives and public sector investment in cleaner plans as well as expanding carbon offsetting/removal programmes

UNWTO and WTTC

*Until there are **recognized standards**, offsetting will lose credibility with the consumer*

Marc Invaldi

*We recommend the profession **adopt a unique calculator** created with tourism specificities to harmonize carbon footprints of trips*

Respire

”

An aerial photograph of a lush green forest with a narrow, winding path that cuts through the trees. The path is light-colored, possibly a dirt or stone trail, and meanders from the top left towards the bottom right of the frame. The surrounding forest is dense with various shades of green, indicating different types of trees and vegetation. The overall scene is serene and natural.

2.

COMMIT TO A **CARBON REDUCTION PLAN** FOR EVERY SECTOR

+60%

Growth in tourism related CO2 emissions between 2005 and 2015 (UNWTO/ITF)

4-5%

Reduction of total GHG emissions for the tourism sector since 2015 (Bloomberg)

+25%

Expected rise of CO2 emissions by 2030 unless we accelerate decarbonisation (UNWTO/ITF)

“

*We support the global commitment to **at least halve emissions by 2030 and reach Net Zero before 2050** (...). We commit to review and revise our targets at least every five years.*

Glasgow Declaration

Cut global carbon emissions to 55% below 2017 levels by 2030 to keep the planet within 1.5 degrees of warming

Tourism declares Climate Emergency

*We recommend to establish **guidelines on climate action**, monitor and report CO2 emissions*

WTTC

”



3.

PRIORITIZE **INVESTMENTS** TO DEVELOP SUSTAINABLE TOURISM

17%

Average Travel & Tourism Capital Investment (as % of Travel & Tourism Contribution to GDP)

20–30%

of lending portfolios need to be adjusted to align to Paris engagements by 2030

“

*Ensure investments are linked to optimizing **net positive impacts** for communities and the environment*

Future of Tourism

***New valuation and financing mechanisms** to redress debilitating under-investment in infrastructure and local asset management and enable the transition to low-carbon destination economies.*

The Travel Foundation

*We need **cross-disciplinary measurable indicators** that we do not have today but are required to measure our impact*

European Tourism Council

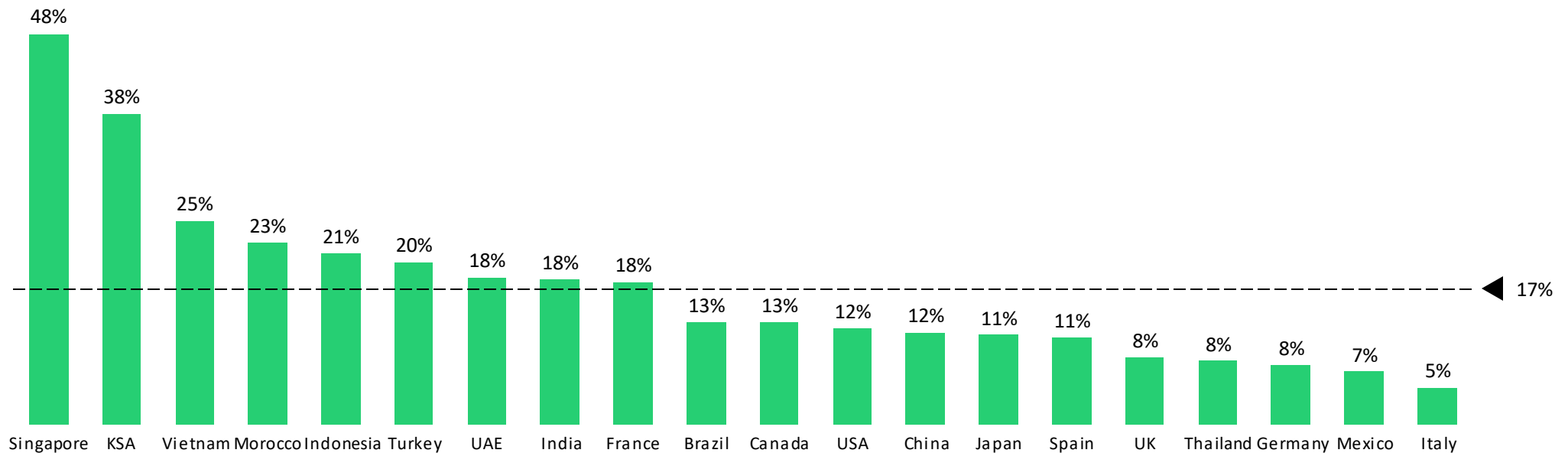
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3.

PRIORITIZE INVESTMENTS TO DEVELOP SUSTAINABLE TOURISM

Travel & Tourism Capital Investment

As % of Travel & Tourism Value Added, 2018-2020 average



Value Added Contribution to GDP (in \$ Bn and as % of GDP)

34	70	23	21	66	106	45	272	241	174	113	1,590	1,530	343	207	276	109	415	197	261
11%	9%	9%	18%	6%	12%	11%	9%	9%	8%	7%	8%	11%	7%	15%	11%	23%	11%	16%	13%

Source: World Bank (TCdata360), WTTC Global economic and trends, Oliver Wyman

4.

INVITE **COMMUNITIES** TO CO-DESIGN TOURISM SOLUTIONS

75%

Of participants encourage governments to highlight specific destinations and ensure readiness via developing infrastructure, image and local providers (UNWTO, WTTC)

70%

Of tourists want to positively impact the economy and the environment they travel to (UNWTO, WTTC)

“

*Are we willing to **empower local communities** to make a difference and shift to more responsible commitments?*

Marta Cabral – Rota Vincentia Association

*Communities need to be at the design part of the product creation to **develop what they want to see** in their communities.*

CO-LAB

***Engage local communities** in the planning process to jointly define how to achieve their goals as a destination*

UNWTO, WTTC

*Recognize that most tourism involves **the destination as a whole**: ecosystems, natural resources, cultural assets and infrastructure*

Future of Tourism

***Flip the thinking** by asking how might tourism markets help local communities and nature become more sustainable, resilient and regenerative*

Dr. Dianne Dredge

”

5.

ACCELERATE & STRENGTHEN **LOCAL SUPPLY CHAINS / ECOSYSTEMS**

95%

of visitor expenditure leads the destination in developing economies

83%

Say it is right that businesses and brands focus on a positive impact, rather than just doing less harm to the planet and its people

**Spain, L'Avenc:**

Local workers and local sourcing only

**Belize:**

Departure tax to fund Protected Area Conservation Trust

**Brazil:**

Local workers trained to autonomously run the eco-lodge by 2022

**Costa Rica:**

Local materials, volunteering services to orphan houses



A WORLD FOR TRAVEL WILL ACT AS A CATALYST FOR CHANGE

Our commitments to you:

-  **INCREASE MESSAGING**
-  **FACILITATE PARTNERSHIPS**
-  **SHARE INFORMATION, STUDIES & DATA**
-  **ADVOCATE FOR THOUGHT LEADERSHIP**
-  **FIND A WAY TO MEASURE OUR PROGRESS**



**LET'S MEET
NEXT YEAR
TO SHARE
OUR
PROGRESS**



“

“The greatest threat to our planet is the belief that someone else will save it”

— Robert Swan

British historian, explorer and activist, best known for being the first person to walk to both North and South Poles.

”

