

# Goodwings Turns Travel Net Zero

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Before the pandemic, travel and tourism accounted for almost 8% of all man-made emissions. Historically, the industry has been slow in addressing climate challenges due to industry fragmentation and low margins which have hindered necessary sustainability-focused investments. The result is maintenance of the status quo for too many years. As we emerge from the pandemic, when travel and tourism fell by more than 75%, we must look for better solutions to reduce the environmental impact of this critical industry.

Fortunately, the demand for sustainable travel has been on the rise. Recent studies show that almost 90% of us want to travel more sustainably, yet very few are willing to pay extra for it. That goes for both leisure and business travel. Part of the underlying issue is the technology tools that have been created to make travel booking easier. This is great for the consumer, but the popularity of price comparison websites have resulted in a situation where price is the main parameter driving booking behavior. How to meet the demand for sustainability, yet maintain the convenience of the on-line booking sites while also not compromising on price?

One company that is aiming to make a difference in this area is Goodwings, a Certified B Corporation based in Denmark that makes travel more sustainable by calculating a person's carbon emissions during a trip (transportation, lodging, meals, etc.) and then removing an equal amount of carbon from the atmosphere. Goodwings is focused on making business travel more sustainable, as we return to post-pandemic work.

As part of my research on purpose-driven business, I recently had the chance to have an on-line discussion with Christian Møller-Holst, the CEO and founder of Goodwings. He emphasized that simplistic solutions such as "traveling less" ignores the large economic contribution of travel and tourism to the global

economy. The industry employs 1 in 11 people in the world's working population, some 300 million people, which means that approximately 1 billion people depend on this industry. Thus, finding a way to travel more sustainably is critical.

Below is an edited excerpt of my discussion with Møller-Holst.

Christopher Marquis: Can you explain in more detail how you work with companies on traveling Net Zero? What does this mean and how do you accomplish this?

Christian Møller-Holst: We calculate the total travel emissions associated with our clients' travels when they book hotels with us, and we then pay to remove those emissions by using our sales commission to buy high quality VCS-verified reforestation credits. We always buy our credits ex-post, meaning the removal has taken place as opposed will be sometime into the future.

Our carbon calculator takes into account all emissions including those from transfers (trains, car, bus, bike), flights, accommodation and meals. Clients don't pay extra for the removal of emissions - the cost of removal is included in the price of the hotel booking as we spend our sales commission on it. By paving the way for a new and more climate friendly way of travelling, and enabling businesses to travel Net Zero at no extra cost, we aim to make it mainstream. Net Zero travel should be the go-to choice.

Marquis: There are a lot of terms out there. How can business leaders differentiate between terms like "carbon offsetting" and "Net Zero" to make conscious choices about sustainability?

Møller-Holst: Carbon offsetting really covers two things: carbon compensation (avoidances where your credits help someone else avoid emitting additional emissions but that doesn't help the emissions associated with your travels) and carbon removal. Carbon removal is the future as reductions aren't always possible, therefore we must remove the emissions we can't avoid. Removing carbon is much more expensive which is why business model innovation is crucial. We must develop new business models designed to make products and services more sustainable and ensure that they can become mainstream by taking into account the price sensitivity. In travel price is king, which is why we're thrilled to be able to remove our clients' emissions without increasing the price.

Marquis: I know Goodwings is focused on making business travel more sustainable, as we return to post-pandemic work. But shouldn't the solution be to just travel a lot

less now that we are more used to virtual communications? Do you help people make the choice whether to travel or not?

Møller-Holst: Yes, not travelling would be better. Travel and tourism accounts for almost 8% of all emissions, but Covid has demonstrated that we need to travel, both as individuals and businesses. Increasing isolationism is not for anything, and let's face it, we, humans, have been moving ever since we walked out of Ethiopia millions of years ago. Travel is coming back, and I expect at full force, so now is the time to change the way we travel.

Marquis: Can you talk a bit about your B Corp certification process? What did you learn? Did you change anything in your operations as a result?

Møller-Holst: The B Corp assessment was a fantastic process, and continues to be. It never stops. As a company built with the purpose of turning travel into a driving force for good, the assessment confirmed that we had designed Goodwings the right way, but the process still opened our eyes to more areas of improvement. Besides the assessment itself, the B Corp community, and the great work of B Lab and Sistema B, provides a platform for mutual inspiration and sharing and we're proud to be part of it.

Marquis: How do you measure success?

Møller-Holst: First and foremost, we measure our success in how much carbon we're removing from the atmosphere. We have a target of removing 50 million metric tons by 2030. Secondly, we see ourselves as an accelerator by making it easy and affordable for SMEs to travel Net Zero and thereby inspire them to adopt more sustainable practices in their businesses too. It's not about becoming the best in the world, but for the world. This is strongly embedded in our culture and values and drives all our decisions.

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