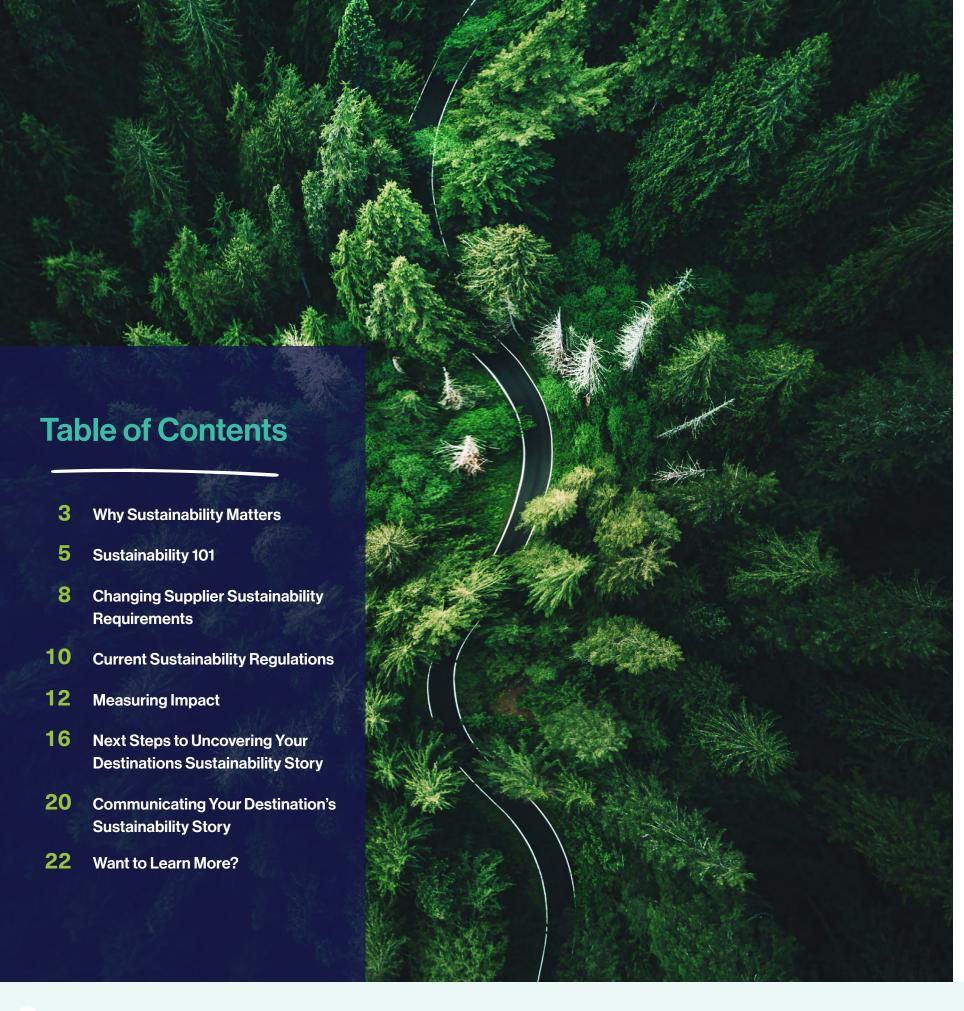
Sustainability Essentials







Why Sustainability Matters

At Maritz, we view sustainability as a crucial business necessity, not merely a desirable attribute. Our dedication to fostering positive change through our actions and initiatives remains steadfast. We aim to share our insights with our partners to carry this message forward and support our industry in making impactful changes for the world.

Imagine a world where every destination not only captivates visitors but also thrives sustainably for generations to come. Maritz is excited to present the Sustainability Essentials Report, crafted specifically for our Destination Marketing Organization (DMO) partners. Your role in promoting and preserving the unique qualities of your destination is more crucial than ever. This report aims to provide a comprehensive understanding of sustainability at a higher level, illustrate how business events fit into this framework, share our experiences with clients and highlight sustainable practices that can enhance the appeal of your destination while contributing to a healthier, more sustainable future.

Why is this important? Embracing sustainability is not just about doing good; it's a business imperative. Many companies now require sustainable practices for their events. By adopting these practices, you not only attract environmentally aware organizations and visitors but also ensure the long-term viability and beauty of the places you represent. Event planners, suppliers and organizations are all seeking sustainable options. Staying competitive and relevant in a rapidly changing world means prioritizing sustainability. Take these actionable insights and apply them to make a meaningful impact on your destination.

By tapping into your best sustainability practices, you can help reduce the impact of your clients' meetings and events on your destination, ensuring a sustainable and thriving future for all.

Thank you for continued support, Rachael Riggs General Manager, Environmental Strategy

The Big Picture

Beginning with the fundamentals of sustainability, we want to share the big picture of what is happening and why this is especially important to destinations. By clarifying what we mean by sustainability, we can establish a solid foundation for proactive measures.

- Global warming and its real-time impacts are seen daily.
- Companies are facing social pressure and a shift in consumer behavior.
- Organizations have set aggressive net zero targets, which impacts their supply chains.
- Regulations are here for public and private companies.
- You need to be prepared.

Why Now?

Regulatory Compliance

- Various government regulations are requiring organizations to measure and report on their emissions.
- Compliance is a must to avoid legal ramifications.

Environmental Responsibility

- It's the right thing to do.
- Temperatures are at record highs.
- We have more data around the impact from emissions.

Reputation and Brand

- Consumers, investors and stakeholders care how organizations are operating.
- Social pressures are having an impact on business operations.
- Sustainable companies can differentiate themselves in the market.



Sustainability 101

Sustainability Defined

Meeting the needs of the present without compromising the ability of future generations to meet their own needs. —The United Nations World Commission on Environment and Development

Industry Frameworks and Standards

A good starting point for taking action is to align with a framework that will serve as your guide.

Purpose: Guide organizations in addressing environmental, social and economic challenges responsibly.

Function: Provide a roadmap for measuring and improving sustainability efforts, ensuring alignment with best practices.

Selection: Organizations choose frameworks that best fit their business practices, industry and goals.

Example: The United Nation's Sustainable Development Goals (UNSDGs) is a global framework and one of many frameworks available.

> Aligning with a specific framework ensures efforts are focused, measurable and in line with best practices, ultimately driving meaningful and impactful sustainability initiatives.



What are the United Nation's Sustainable **Development Goals** (UNSDGs)?

The United Nation's Sustainable Development Goals) were set up in 2015 by the United Nations General Assembly and are intended to be achieved by 2030.

The purpose was to create a set of global goals, related to the environmental, political and economic challenges that we face.

> **UNSDGs** are a global framework but there are many others out there you can choose from.

Environmental, Social and Governance Criteria (ESG)

ESG is another widely adopted framework that investors, businesses and other stakeholders consider when evaluating the sustainability and ethical impact of investments or business practices. By breaking down the United Nations Sustainable Development Goals (UNSDGs) into these three categories—Environmental, Social and Governance—you can continue to prioritize where you choose to make an impact.



Changing Supplier Sustainability Requirements



Maritz's Client Expectations as a Trusted Supplier

Since we began tracking in 2010, we've received numerous requests for Maritz's Carbon Disclosure Project (CDP) and EcoVadis scores annually from a diverse range of global customers. Clients are increasingly including ESG questions in their RFPs and setting specific sustainability requirements.

Types of client requirements:

- Must respond to CDP & EcoVadis annually to be a supplier.
- To maintain and increase scores, we must:
 - Measure Scope 1, 2 & 3 CO2e annually.
 - Vet and collect data on our supply chain annually.
 - Commit to Science Based Targets Initiative (SBTi).

Several have set specific targets their suppliers must achieve:

- Exceed a specific score to remain a supplier.
- Reduce emissions by a specific target.
- Carbon neutrality for Scope 1 & 2 emissions by a set date.

If we're receiving these requests from our clients, it's likely that your clients are asking similar questions. By collaborating as an industry to address these needs, we can more effectively respond to these inquiries and meet the evolving expectations of our collective clients.





Current Sustainability Regulations



csrd estimated to affect 5,000 companies by 2029

Senate
Bill 253 will impact approximately

5,000
U.S. companies

Senate
Bill 261 will impact approximately

10,000
U.S. companies

Regulations

Depending upon the size and global footprint of their business, the primary regulatory drivers now include the following for large organizations, listed companies and businesses operating in specific states:



Global: Corporate Sustainability Reporting Directive (CSRD)

CSRD is for publicly held companies only. It requires large organizations and listed companies in the European Union (EU) to publicly disclose detailed information on their environmental, social and governance (ESG) impacts. Companies must report according to the European Sustainability Reporting Standards (ESRS), which covers areas such as climate change, social responsibility and governance practices.



State: California

 Senate Bill 253 Climate Corporate Data Accountability Act: California's SB253 law requires companies with annual revenues exceeding \$1 billion to disclose assured Fiscal Year 25 Scope 1, 2 & 3 emissions in Fiscal Year 26.



Senate Bill 261 Climate-Related Financial Risk Act: SB261 mandates that companies with annual revenues over \$500 million produce biennial reports detailing climate-related financial risks and their mitigation strategies.

Both laws apply to all companies conducting business in California, whether they are public or private.

Other states that are considering similar regulations to California include New York, Illinois, Minnesota, Oregon and Washington.

Impact of Regulations

Wide Reach:* Regulations impact organizations globally, spanning industries and regions.

- The Corporate Sustainability Reporting Directive (CSRD) is estimated to affect 5,000 companies by 2029.
- Senate Bill 253 Climate Corporate Data Accountability Act will impact approximately 5,000 U.S. companies.
- Senate Bill 261 Climate-Related Financial Risk Act will impact approximately 10,000 U.S. companies.

Standardized Accountability: Organizations are required to adopt measurement systems, standardized frameworks, engage their supply chain and transparently report to the public through their sustainability report. This includes the process of carbon accounting to measure Scope 1, 2 and 3 emissions and assurance of these numbers. Standardization makes it easier for stakeholders to understand and compare a company's impact on social, environmental and governance factors.

Catalyzing Change: These policies are driving investment and innovation in sustainable practices, fostering greener business operations.

Trickle-Down Effect: Large organizations are increasingly pressuring their smaller suppliers to measure, report and adopt sustainable practices, amplifying the impact across supply chains.

* Recent amendments to the Corporate Sustainability Reporting Directive (CSRD) have significantly reduced the number of companies required to report, from approximately 50,000 to 5,000. Meanwhile, California's climate-related disclosure laws remain unchanged. Given the current political climate, Maritz is closely monitoring these developments and will keep clients informed of any changes that may impact their reporting obligations.

Why Are These Regulations a Big Deal?

These regulations collectively create a global momentum for corporate climate responsibility, pushing businesses to:

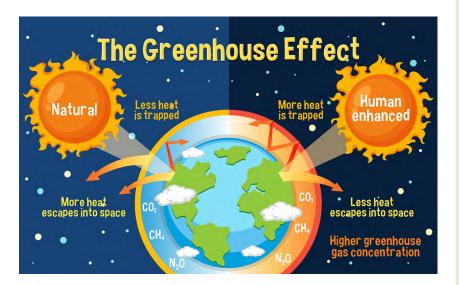
Measure their impact

Mitigate climate risks

Demonstrate resilience to climate challenges

Build trust through reporting transparency

Measuring Impact



Measuring Carbon Emissions: CO₂e

What is the Greenhouse Effect?

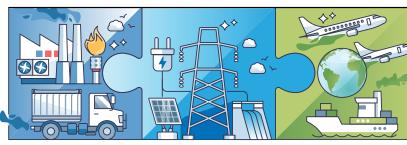
Greenhouse gases are naturally occurring and human-produced gases in the Earth's atmosphere that absorb infrared radiation (heat) and trap it, causing the planet to warm. This natural process, known as the greenhouse effect, is essential for maintaining a habitable temperature on Earth.

What is the problem?

However, increased concentrations of greenhouse gases due to human activities, like burning fossil fuels, are enhancing this effect and causing global warming.

How do we fix the problem?

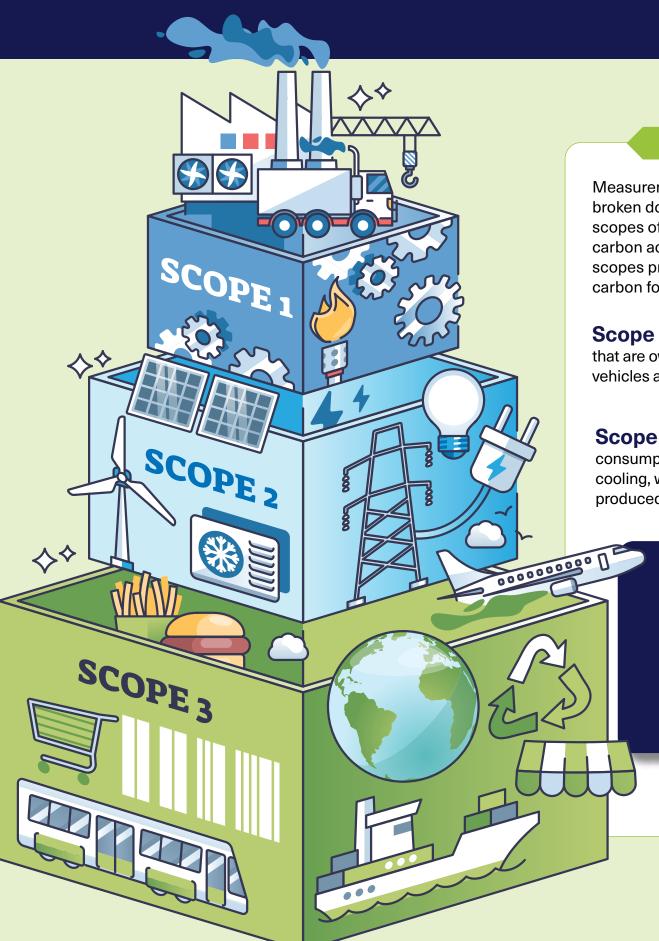
You can't fix what you don't measure. Measuring the CO₂e of a business is essential for understanding its total environmental impact, identifying areas for improvement and ensuring regulatory compliance. It can lead to cost savings through improved energy efficiency and provide a competitive advantage as consumers increasingly demand sustainable practices. By managing CO₂e, businesses can make informed decisions that benefit both the environment and their long-term viability.



SCOPE 1

SCOPE 2

SCOPE 3



How Do We Measure CO_ae?

Measurement starts with understanding that emissions are broken down into 3 categories. Understanding the different scopes of greenhouse gas emissions is crucial for effective carbon accounting and sustainability reporting. Together, these scopes provide a comprehensive view of a company's total carbon footprint.

Scope 1 emissions encompass direct emissions from sources that are owned or controlled by the company, such as company vehicles and on-site fuel combustion.

Scope 2 emissions refer to indirect emissions from the consumption of purchased electricity, steam, heating and cooling, which occur at the facility where the energy is produced but are attributed to the company using the energy.

> **Scope 3** emissions include all other indirect emissions that occur throughout the company's value chain, both upstream and downstream, such as emissions from purchased goods and services, business travel, employee commuting, waste disposal and the use of sold products.

> > comprehensively measuring and reporting these emissions, companies can better understand their environmental impact and take steps towards reducing their carbon footprint.







Sustainability's Influence on the **Business Events Industry**

Organizations are increasingly working to reduce Scope 3 emissions, with one key focus area being emissions from business travel and events. This shift towards sustainability is driving significant changes in how events are sourced, designed and evaluated.

Event Sourcing

- Organizations are considering sustainability when selecting a location.
- Organizations are incorporating sustainability-focused questions into RFPs.
- Organizations are including sustainability clauses and commitments in contracts.

Event Design

- Planners are seeking strategies to organize more sustainable events.
- Suppliers are providing tools and recommendations to plan green meetings.
- Organizations are building out sustainable event policies for their teams and requiring suppliers to adhere to them.

Post Event Data Collection*

- Organizations are measuring the emissions of their events.
- Hotels and convention centers are providing carbon emissions, water usage and waste reports.
- Organizations have event and travel carbon budgets.
- Organizations are requiring destination suppliers to provide more detailed data for the calculation post event.
- Organizations are providing insights into strategies for reducing emissions of their events year over year.

*NOTE: While we have observed some new requirements in this area, it is important to understand that these are not universal. Each organization may have varying levels of data collection and reporting based on their specific needs and goals.

Event Measurement

At Maritz, we anticipated the growing need for sustainable event solutions and developed our innovative Carbon Footprint Measurement Tool (CFMT). This foresight has allowed us to

support numerous clients in measuring their event impacts and providing valuable insights for future planning and event emissions reduction. Our work has proven instrumental in helping organizations align their decisions with their sustainability goals, and we have gained significant expertise in interpreting the data to guide these efforts.

Accommodations

Air Travel

Ground Transportation

4

Venue

Energy

As a destination, it's crucial to present your comprehensive and integrated sustainability story, rather than treating it as a secondary strategy. By showcasing a complete view of your sustainability efforts, you can highlight various categories and demonstrate your commitment to sustainable practices. These insights are essential because each destination has unique factors that can either support or hinder sustainability efforts. Understanding your strengths and weaknesses will help you plan more sustainable client events and navigate challenges effectively.

A well-informed and unified approach to planning sustainable events will elevate your destination's appeal and drive business. While you may not control every piece, you can purposely design around them to create a more sustainable experience.

Event Carbon Footprint Measurement **Categories**



AIR TRAVEL



GROUND **TRANSPORTATION**



ACCOMMODATIONS



VENUE & ENERGY



FOOD & **BEVERAGE**



WASTE



Food & Beverage

Waste

Freight

FREIGHT



Next Steps to Uncovering Your Destinations Sustainability Story

Communicating Sustainability Through Design Thinking

Design thinking, integral to all Maritz Design Studio work, is a human-centered approach to problem-solving that fosters creativity and innovation across various fields. It empowers individuals and teams to tackle complex challenges and develop meaningful solutions by prioritizing empathy and understanding people's needs. By focusing on the end-user, design thinking uncovers valuable insights for more impactful solutions.

While the information in the following pages is not a fully comprehensive strategy, our goal is to provide a starting point to help your team discover, identify, understand and communicate your destination's current environmental sustainability efforts. The insights your team gains will enable them to stay competitive, relevant and proactive.

Let's continue to work together to make a positive and meaningful impact in your destination — and the world.



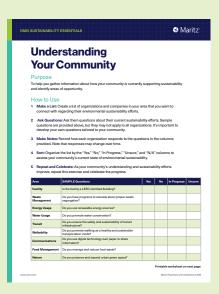
SECTION



Understanding Your Community

Learn More About Environmental Sustainability Within Your Destination

Understanding key sustainability practices will help you identify them in your destination. To the right is a sample worksheet to assist you in gathering current state information about environmental sustainability in your destination. The worksheet is broken down into eight key areas to review: Facilities, Waste Management, Energy Usage, Transit, Walkability, Communications, Food Management and Nature. Each area includes a sample question to get you started. Remember to adjust and add to these questions for your specific destination and community members. Asking good questions will be key to your success.



CLICK HERE to download the Understanding Your Community Worksheet

Design Tips | How to Ask Good Survey Questions

Understand the Audience: Consider your audience's needs, challenges and perspectives when crafting questions.

Be Specific: Keep questions focused on a particular topic while remaining neutral and unbiased. **Incorporate Follow-Up Questions:** Prepare follow-up questions based on responses to delve deeper.

SECTION



Determine Your Stakeholders

Identifying Stakeholders From Various Groups Builds Successful Relationships and Understanding

Now you need to consider your stakeholders in your community who will play a crucial role in the success of your sustainability efforts and can significantly impact your outcomes. Understanding and managing stakeholder relationships is essential for achieving your strategic goals. Consider these four stakeholder groups:

Internal Stakeholders: Your organization, including employees and management.

External Local Stakeholders: Your destination partners.

Influencers: Individuals or groups who can impact public perception and decision making.

Decision Makers: Planners, sales teams and corporations who play a key role in strategic decisions.

SECTION



Share Your Sustainability Story

Highlighting and Communicating Your Destination's Sustainability Efforts

Sharing your sustainability story is essential for proactively addressing clients' sustainability questions in their RFPs and meeting their destination requirements. By leveraging your community's sustainability efforts, you can position your destination as a leader in sustainable practices.

Lead: Use your community's sustainability efforts as a leading differentiator for your destination.

Consult: Advise clients on planning sustainable events in your destination.

Prepare: Be prepared to answer sustainability-related RFP questions.

Support: Provide recommendations on event carbon footprint measurement using various industry tools. Maritz is happy to partner with you to support clients with our Carbon Footprint Measurement Tool (CFMT), offering valuable data and insights.

SECTION



Identify Your Destination's Current State

Create a Baseline by Understanding How Your Destination is Currently Supporting Sustainability

In the Understanding phase, you've identified your community's current sustainability practices. Now, it's time to evaluate these practices to establish a baseline and determine what will be shared in your sustainability story.

Linked is a sample Decision Matrix to help you decide what and how to communicate your sustainability story. Use this worksheet as a starting point to focus and engage your team on the same efforts.



CLICK HERE to download the Decision Matrix Worksheet

Design Tips | Using a Decision Matrix for Structured Decision Making

Collect Your Information: Having all your information ready in advance allows for better comparative analysis and ensures greater objectivity.

Gather Your Team: Teams can work collectively to review and discuss the findings while they place them on the matrix based on urgency and importance.

Stay Focused on the End-User: Keeping focused on your end-user will help alleviate team disagreements and keep the team prioritizing empathy and understanding.

Communicating Your Destination's Sustainability Story

Consider Your Audience

When communicating anything, it's always critical to consider your audiences. This is especially true when communicating sustainability efforts to ensure your message is relevant and impactful.

Planners: Showcase your destination's sustainability initiatives to attract planners and provide valuable resources for hosting greener events.

Visitors: Guide visitors to experience your destination responsibly, ensuring their actions align with your sustainability goals.

Other Considerations

Members: Support your members on their sustainability journey by highlighting their unique sustainability stories to inspire others.

Your Destination Marketing Organization:

Most importantly, you need to look inward and reflect on your own practices. Understanding your identity and how it relates to sustainability is crucial for authentic and effective communication. How does your DMO embody these principles? What steps are you taking to create a lasting, positive impact on the destination you call home?

Communication Best Practices

It's important to strike a balance between effective marketing, transparency and genuine authenticity. While it's crucial to be good at marketing to enhance visibility and reach, it's equally important to ensure that your messaging is authentic. Some of the most authentic destinations don't have the flashiest websites, but they exude a genuine commitment to sustainability, reflecting it deeply in both their organization and local culture.

Make it Authentic:

Sustainability is a priority for those who truly value it—they will seek it out. If it's hard to find or lacks authenticity, they may feel it's not a meaningful commitment for the destination.

Be Transparent:

Transparency is key. Being open about your sustainability practices and progress builds trust and demonstrates a genuine commitment to your goals.

Understand Your Target Audience:

Clearly define the target audience for your sustainability content, whether it's planners, members, or leisure travelers and tailor your content to their interests and needs.

It is critical
for a destination
to be able to articulate their
sustainability story to
customers. Be authentic.
Be informative.
Be the voice for who
you really are.
—Halle Weinberg

General Manager,

Destination Engagement



Want to Learn More?



There are numerous industry resources available to support you on your sustainability journey, regardless of your current stage. Maritz actively supports many of these organizations and hopes you find them beneficial. Here are some industry resources to consider:

- Individual Sustainability Education: https://eventscouncil.org/Sustainability/SEPC
- Event Standards & Certification: Events Industry Council Sustainable Event Standards
- Event Planner Tools: Check out your professional industry organization all which are members of the
 Event Industry Council. There are many resources available and here are a few to start
 https://insights.eventscouncil.org/Sustainability, https://eventscouncil.org/Sustainability/CSE,
 https://exempto.org/convene4climate/interest/,
 https://exempto.org/educationmpi-academy
- Industry Advocacy and Corporate Commitments: Net Zero Carbon Events
- The Sustainable Development Goals: <u>United Nations Department of Economic and Social Affairs</u>

Contact us too. We'd love to help.



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