



Collaborations for a Sustainable Future through the Lens of Travel and Tourism

An Edinburgh Science
Climate Co-Lab
Event notes

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About the Edinburgh Science Climate Co-Lab Series

The ***Climate Co-Lab*** is a series of round table events which bring together senior leaders and decision from across all sectors to tackle difficult questions relating to the climate emergency. These events spark collaboration, unlock potential solutions and drive change.

We began delivering these events in April 2019 after awarding the prestigious Edinburgh Medal to Christiana Figueres – the acclaimed Costa Rican Diplomat, instrumental in bringing about the Paris Climate Agreement. On her visit to Edinburgh, we organised a round table with leaders of business, public sector, third sector and higher education present. We were challenged by Christiana to collaborate, to act, to not wait for anyone to give them permission and to use the opportunity that presented itself for positive change. It is this optimistic ethos that has driven these events ever since.

Notes from all previous ***Climate Co-Lab*** events can be found at edinburghscience.co.uk/co-labs/

Sefton Laing – Introduction

Senior Climate and Environment Specialist, Baillie Gifford

Welcome to Baillie Gifford. It's really good to have everyone here. I've been to a few **Climate Co-Labs** and I always think they're really valuable. The idea here is that this is a safe space. This is about people from different sections coming together and talking about big issues, particularly around the climate transition. We at Baillie Gifford really want to support this and it's great to be able to do it.

I will try and be an independent chair because travel and tourism is not my specialist subject, but I do work on climate and sustainability issues for Baillie Gifford. Baillie Gifford, for those that don't know, we're an asset manager. We've been in Edinburgh since 1908 when we were founded. We invest capital for our clients, many of whom are public pension funds, into global equities all over the world. And we try to take a long-term view in everything we do, hence thinking about these sorts of global issues.

We're also a very long-term supporter of Edinburgh Science: we've supported Edinburgh Science since 2006 as part of our philanthropic activities. We support about 150 charities through this programme. I think the work that Edinburgh Science does, particularly around schools and learning is fantastic, as well as the Festival itself. Certainly for me as a dad, it's always a good thing to get the kids along to during the holidays. So, thank you for that!

Onto the session today. As I said, we've got people from all different sectors here, and the idea is to be collaborative. We're talking about the topic of travel and tourism, asking what the outlook for the sector – or sectors – and industries are as we deal with the challenges and opportunities as climate change. I can't think of three better people to have sharing their views: Marc Crothall, who is the CEO of Scottish Tourism Alliance; Gordon Dewar the CEO of Edinburgh Airport; and Shona McCarthy who is the CEO of the Edinburgh Festival Fringe Society, who's had quite a busy last few weeks it would be fair to say!

When we started talking about this session, my first thought was that it strikes me as a really good example of a bunch of issues that exemplify the kind of trade-offs you get when you're trying to address climate change. How do you weigh up the impacts of tourism, and particularly the carbon impact of air travel, with the cultural benefits – the cultural exchange – that comes with tourism? And the benefits that come with the global community continuing to visit each other at a time when things are a bit frayed and fragile around the world. I find it's impossible to compare those very different things, but they are things we have to try to at least take account of and try to balance out. The way in which we do that is a theme for the sort of the discussions we will have today.

I'm fully aware, working in a climate team, that we quite like talking about the holidays and the trips we've been on, and so you could say we're hypocrites. Well, certainly there's a big irony there, with people working on climate issues getting on planes and causing impact. And maybe we're actually some of the most passionate travellers because we like seeing the world. I'm very aware of that. This is an issue where you're immediately led into feelings of "is it hypocritical to say that?" but here we need to get beyond that and get onto thinking about solutions.

Marc's going to go through what a big impact tourism has, both for the economy and for Scotland. I think we said it's about 8% of global emissions, so we know it's significant, but that very much depends on how you measure it, which Gordon will touch on. And we know tourism is a really important sector for Scotland. We've just come to the end of another amazing festival season, and this is a huge part of what Scotland is and its place in the world.

For our discussions today we're going to have three provocations, one from each of the speakers. They're called provocations: the idea is to get your brain going and get your thoughts flowing. We'll take a time for immediate questions after each person has spoken, there'll be some time to talk at our tables and then for the last 45 minutes or so, we're going to have a group discussion where we all share back thoughts and discuss. And at the end we will draw together some action points and some practical ways forward, that might involve some collaborations between people here.

So today is a really good opportunity. We're all here together, away from our desks, away from our computers, and we should use it: make the most of it.

Now I will hand over first to Marc.



Marc Crothall MBE

CEO, Scottish Tourism Alliance

Just leading on from Sefton's fact that he's holidayed abroad, can I ask the question, how many people have flown on a plane and holidayed outside Scotland this year? [Many hands are raised]

And ask the question if anyone actually holidayed in Scotland this year? [Lots of hands are raised] Good, that's a bit of a relief!

In my role, I'm Chief Executive of the Scottish Tourism Alliance, who are the overarching trade body for tourism and hospitality sector. We have about 80% of all tourism and hospitality enterprises under our umbrella of membership, as well as a far-reaching group of members who are from the finance industry, and the legal industry,

And we say tourism is everyone's business, and our collective voice of the STA is there to hopefully influence. Its aim is to influence the right outcomes on the right conditions for success, that all link back to Scotland's National Tourism Strategy Scotland Act 2030¹. This aligns to a number of other strategies in the country at the moment, not least the Scottish Government Strategy, the National Strategy for Economic Transformation. So what I thought I'd do is to give some context around where we are on that journey, what the strategy is about, when it was developed, and then to present the dilemma that we face in terms of the importance of the international audience against the backdrop of the current climate, with our domestic audience.

The strategy was developed in 2019 as, if you'll remember, the streets of Edinburgh were absolutely packed for the summer. They always are of course when the festivals are on, but there was a lot of anti-tourism agenda beginning to rise up at that point. So, yeah, the tourists were not necessarily the best friends in town for many. And the tourism strategy leadership group decided, okay, well, we need to think or rethink how we go about tourism beyond 2020, which the current strategy was running up to.

This is pre-Covid, of course, with at that time no sign of Covid at all on the horizon. And so, on the fifth of March 2020, that strategy was officially launched in Glasgow by the First Minister to an audience of 600 to 700 people in the room. The strategy itself had been developed by the best part of three thousand industry colleagues feeding into and shaping it together with, and in partnership with, the government and the agencies. Being very, very conscious that we need to move on from a strategy being all about experience, and to a strategy that has focus on business, people, place and experience, but all looking through that lens of sustainability.

And I remember sitting with Gordon – or not sitting with Gordon: he was stood at the bar – at the Radisson Red hotel in the Sky Bar. And literally that very evening, Covid really came upon us, and the world fell out of the sky. And we know what happened: tourism stopped. And that two-year lull that we had, where we were all saw our own lives changed considerably, in my view. And I think we are seeing it change the way people behave and what you want to do. You don't want to just buy stuff, you want to experience stuff. And as you will see across the media over many recent weeks and months, that rise of tourism globally is continued at pace. And we are back into some challenging times with the anti-tourism agenda – you've got water pistols on Las Ramblas to various different protests in the Canary Islands, etc. But we sit here in Scotland fortunate that we're not full. We're definitely not a full over-tourism destination. So before I say a few words after, what I want to do is to let you see the strategy and how we brought it alive.

This is what was launched – bear in mind back in 2020. Here's a short video².

Change is coming. No, change is already here. you can see it in our politics. Our economy, technology and the climate.

Change. The secret is to view it as an opportunity, not a problem. An opportunity to think about what we do and how we can do it better.

Tourism needs to change. We need to think about the impact we have on the environment. We need to think about the impact we have on infrastructure, communities, businesses, people.

In Scotland we're good at thinking. Our thinking, point of fact, has changed the world, more than once! So, let's think seriously about tourism in Scotland, and for Scotland. Let's think about shifting from attracting volume to delivering greater value for our nation and for our different communities. Let's think about the people who live and work in our country, who work in your businesses.

Today is when that thinking turns to action, when change happens. A new era, a new approach on this brave, outward-looking, forward-thinking, responsive, collaborative land with people at its heart. An approach that will enrich the lives of those who live here and those who visit. It will preserve our places for future generations and living, responsible tourism.

1 <https://scottishtourismalliance.co.uk/scotland-outlook-2030-overview/>

2 The Scottish Tourism Alliance - Scotland Outlook 2030 <https://youtu.be/8kkIqYhMO-s>

For we want everyone in Scotland to experience the benefits of tourism now for many years to come. That's not just what we think we need to do, is what we must do. Together. And by working together, Scotland will succeed. By putting our communities, our people, our visitors, our businesses and our environment at the heart of everything we do, we will make the most of change. And make Scotland the world leader in 21st century tourism.

So already back in 2020, the really big ambition was set to be the world leaders of 21st century tourism. What does that mean? The working group itself, we already knew that we were world leaders in one or two particular areas. In festivals, we all agreed, we are world leading in our festival delivery. And of course, we have a wonderful liquid called whisky and we're pretty good at that as well.

But there are lots of other things where we had to say ok well what's the definition about being a world leader? Is it about being world leading in how we are responsible and delivering tourism with a sustainability agenda at heart? How we manage our people? How we recruit? How we look after our destination, our place? It's not about having the tallest buildings, the most expensive hotels, etc. It's about a combination of things being the very, very best.

The size of the industry? Sefton alluded to some of it, so just so you get a sense of the scale: £10.7 billion worth of economic value, 229,000 jobs, 15,500 businesses supported. In fact, it's probably more than that. And everything interlinks with one another.

What does that look like in terms of breakdown of tourism? A lot of people think tourism is about leisure, and actually people forget just how important some of the various different components of the sector are. Agri-tourism for example: the fast moving, changing, part of our sector that's now worth £170 million already. There are so many opportunities for change and diversification, including in business tourism and conference events. Marine tourism – sailing and recreational boating on the coastal waters of Scotland – is actually worth more than golf tourism. But a lot of people don't realise that. Film tourism, of course is on the rise: £65 million. And of course we've got music tourism – obviously Shona's understandably very sensitive to this at the moment with the Oasis factor – that industry is worth half a billion pounds to this economy.

And where does that audience come from? We need to remember that the audience is not just generated from within Scotland, nor within the UK. We are heavily reliant on making sure that we get international businesses coming to see us. We outperform the rest of the UK in terms of international inbound: we've grown it by 23% in terms of volume.

People want to travel to Scotland. They want to experience more. We need to be able to do that.

But we are against this backdrop of "do we fly?". We're on an island: how else do you get here? On a boat? Cruise ship? Cruise ships are, arguably people have said, not a particularly sustainable way of transport. We will have a million passengers disembarking this year off cruise ships onto our shores and our islands.

23% growth in international overnight visits, and 14% growth in international overnight spend. When you look at this in total, we have 12.6 million visits from Great Britain, with our British visitors staying 34.5 million nights, and their average spend £254. £254 seems like a lot of money? It is a lot of money!

But when you then look at the American market, not 12.6 million visits, just 794,000 visits, spending £1.236 million in total, that's an average of £15,057 per visit. That is a huge amount of money that benefits the economy right the way across the country, not just here in Edinburgh, the ripple effect is huge. And then we go to Germany and £720 per visitor, and for our French colleague here – thank you very much La France - £827 of spend. This is a big, big pot of money.

International is important, and post-pandemic, as I said earlier, despite the climate challenges we face, there is no sign of global travel abating. If anything, it's getting busier and busier. And we just need to slow people down. How ever people want to travel. My younger children at 16, they just want to fly. They want to keep going where we like in the summer period.

Tourism is positioned by those of us who work in this industry, and those of us that connect to it, as a force for good. And it is a force for good because it benefits every economy. It's good for the well-being. It drives revenues that can actually help facilitate and be prosperous and make destinations more prosperous. Given the many benefits that tourism brings, and when we look at the fiscal challenges the governments face, local authorities face, we can not ignore the receipts.

But I guess the challenge is should we as a nation be looking to capitalise on the trend of growth in international travel? Or should we just reign it back a bit and not do as much international tourism as we've seen, and just focus more on our domestic markets. Thank you.

Questions

Attendee: Do we have national level the metrics for the most carbon efficient markets that we could potentially be looking at? Showing how long they stay, where they go, and how much do they spend, verses how much carbon is expended getting here?

MC: Yeah, there are. There are five workstreams at the moment that are coming out of the strategy. One is the net-zero agenda. And it's actually looking at the analysis around how do our customers get here, where do they come from, what are they spending and what's their carbon footprint.

There are really good examples of businesses in the industry doing that too. Wilderness Scotland an adventure company for example up in the Highlands who are very strong on it. But we're not doing enough of it. There is getting the baseline which is important. And actually, that's half the challenge for an industry that's very micro-based. How do you build that bottom up and actually allow businesses to be able to know what they need to measure? And then how do we do it?

That's one of the key missions of the strategy: a priority mission. I touched on that just quickly, but there are five priority missions and community led tourism is a big part of that. And I think communities really need come into the conversation and be part of the journey: how do you actually measure that community impact?

But looking into future markets is also important so that we identify where those future markets are. Who are the ones that are going to try to tread lightly, spend money still importantly, and can they get here? And importantly, how do we keep them here longer? Instead of turning left and going back down south? Five-day or seven-day tours in Scotland: three days in Edinburgh, two days, Inverness, one day Skye and then stop. That's it. But so often that's what happens.

Attendee: So that's super useful. And I think more of that data needs to be produced at national level so the micro-enterprises are not trying to replicate the same analysis.

Attendee: There's going to inevitably a lot of talk about flights. Do you know what the proportion of carbon footprint of tourism in Scotland is flights and what proportion is other things? I'm thinking, for example, of those GB visitors that will drive around people come and spend a lot of time driving when they get here. Accommodation has a carbon footprint. Are the flights so overwhelming that that's what we really should be focusing on them, or should we be looking at, perhaps, getting domestic visitors off flights but then perhaps investing in other things as well? Or is that really quite marginal gains?

MC: There's different means of travel here of course. I know that the Lumo train for instance, on their anniversary, I think they had 1.2 million visitors who travelled up to Scotland, more than their target of a million. I think it was 35% or 40% of those were tourists coming up from London. And choosing not to fly will do different things. People want to explore Scotland. They have to get out into the countryside. They want to go off. Exploring more requires, unfortunately, getting in a car a lot of the time. Or going on various modes of transport that are not just a bicycle, or on foot.

We have a lot of adventure and outdoor stuff. So yes, that exploration piece is there, but they still have to get here. We're an island, and that's the challenge. So the questions around impact are how we measure it, how we maintain it, and how do we minimize the impact to get here, stay longer, spend more money and allowing that money to be reinvested.

There's potential for a big change around conferencing and business tourism with blended experiences so stay and work becomes much more prominent in today's society than it was. Not just fly in, fly out, away you go.

Attendee: Do you have any survey data about the impact of climate change and the weather forecast in Scotland on tourism?

MC: There's been some media in recent weeks which has gone with the headline "The Cool Destinations" to visit looking at temperature. In that Inverness was considered a cool destination, as was Edinburgh. I was speaking with a journalist the other day who had spoken to the German Consul. In fact, he said, they've seen an increase of over 100,000 Germans visiting Scotland this year. And they put that down to climate. Typically the Germans may choose to go on holiday in hotter climes, but the choice of coming to the cooler climate is certainly something growing.

And of course, the aging population as well could be a factor, in that many people will choose to come to something where it's a bit cooler. And I think, maybe inbound flights or inbound colleagues coming over from the United Arab Emirates and others have seen that coolness in a destination is important. I was at the Tattoo a couple of weeks ago. An American family sat down next to me. They had just arrived in from New York. It was very much like the weather was outside today. And he said, "God, this is great!" I do think there will be a change coach trips as well. Coach tourism, it's obviously a big footprint, but again, that the market is a slightly older demographic.

And maybe globally the time of year that people choose to holiday will change as well. So that typical high season in July and August is maybe not going to be there forever.



Gordon Dewar

CEO, Edinburgh Airport

Whenever I'm asked to do some sustainability discussion, I'm very conscious that our industry is the very much the fifth horseman of the apocalypse. I'll try to persuade you that it's not all as bad as that! And that actually getting together to look at some of the issues probably offers as many opportunities as there are problems.

So I've got a few slides³. I'm going to skip through some of these really quickly. They are just trying to set the scene. The first one is my provocation: "How making the tourism carbon challenge bigger may be the best route to solving it together?"

I'm going to talk about why aviation is just an enabler. I think it's really important to understand that. And I want to convince you that aviation has taken the whole decarbonisation journey really seriously and we are on track to solve it. Not as quick as we'd like, not as quick as most would like, but we are doing it. And then I want to try and think about what is the problem we're trying to solve?

A part of that is knowing what not to do. I've got some really good examples of where people think they are doing the right thing but are probably not really achieving very much, and I think they could find far better ways.

I think the whole opportunity I want to try and frame with a bit of an example – but by no means the only way of approaching it – is looking at our whole value. If we think of the aviation industry as part of the whole, then actually there might be good opportunities to work together, collaboration. And where might we start that journey together.

And so not I'm not suggesting by any stretch that I have a full informed answer, more a small part of a possible answer, but certainly an idea of what direction we should be moving in.

So, as we've said the financial value of tourism is huge, and there are lots and lots of jobs are related to this industry. Marc's highlighted that really well. The one thing I think is really worth remembering is that rural Highlands and Islands are specifically dependent on tourism, so if we're looking at the sustainability and fairness agenda and keeping the Highlands populated, then tourism is as important as any other industry you could imagine. So again the perils of getting this wrong are really, really significant. Because it's not just the economy and GDP, this is about the life and blood of our Highlands and Islands and rural areas.

We spend our entire time trying not to get noticed at Edinburgh Airport. A great journey is when you don't think about the airport. You might think about Wetherspoon's, you might think about all

whisky you buy, but hopefully you don't notice us because you just get on a plane seamlessly. We do exactly the same as the airlines. We're trying to explain to the airlines why they will come and be successful here because of what we offer them as a country. We're not selling Edinburgh Airport, nobody cares about that as long as we're safe, functional and we've got capacity. What they care about is why are they flying here in the first place. Why do their passengers want to come? And we are selling this very well (I mean, us as a country not we as an airport). But we are already faster growing in tourism, in inbound tourism than the rest of the UK, and Edinburgh is a hotspot within Scotland. We're also doing so really efficiently.

For every two passengers coming in or out internationally, it's one in, one out at Edinburgh Airport. That's higher than Heathrow's ratio! So we're pretty efficient, but there's a good question about the density of carbon. In terms of flights, I would argue that the economic benefit is better the higher that ratio is. That being said, if 5% of people come to Scotland for the weather, I guarantee 99% will leave because of the weather!

And I challenge any political party to go against holidaying as part of their manifesto and see how far they get in elections!

Talking seriously about carbon: aviation is serious about decarbonising. We will get to net-zero by 2050, which is in line with the national target. What I think is important here is that this is a slower trajectory than many sectors because we're so dependent on fossil fuels in aviation. That is difficult to shift with aircraft with 20 to 30 year life spans, but it can be done, we're working on it. Some of that of course is about reducing demand through pricing and all the other pieces. That is inevitable.

There are lots of ways we're going to contribute to net-zero through carbon capture, through offsetting, through investing in other means of reducing carbon from third parties. I think the two things in our mind are we want to get on that decarbonisation curve faster, and that the area to really focus on is actually what others can do, and how can we help? As a relatively wealthy industry, how can we help others do things faster?

I would expand that beyond just the aviation side and look at the whole wealth chain about tourism, and who might therefore contribute. And that's the core part. So flying will be inevitably the majority of carbon footprint, but probably majority's maybe a bit assumptive. It's probably about 40% to maybe 60% depending where you're coming from – long haul has the higher ratio. But is likely in the short term, by that I mean 10 to 15 years – that ratio increases as things on the ground get better.

We at the airport, for example, are already very carbon neutral with a really small amount of offsetting, so pretty close to net-zero already on the ground because the technology exists to allow that to happen. So clearly, if the whole industry of tourism is doing similar things then that ratio will drop.

3 Slides available: <https://www.edinburghscience.co.uk/climate/our-climate-work/co-labs-notes/>

We will undoubtedly see taxation, but it only makes sense to do that at the world or certainly the Europe level. Otherwise, we're just going to become uncompetitive and the carbon will move elsewhere. We won't reduce it, just shift it, and that's not advantage at all.

If we don't do more, I think we do risk run the risk of significant parts of our potential customer base not wanting to fly. That carbon, that flight, shaming going on. That's a real issue. So we need to persuade people that we are sustainable, that we do have a long term plan, that they can trust us to be the best we can in the process.

And as I say, we can all be locally net-zero – it's not happening at the pace we would like, but it's absolutely possible to get there in terms of the ground-based stuff – but it's still only going to solve 20% to 50% of the total. And if we don't get any of this right, then we are clearly not going to continue that trajectory of growth where we are.

The things we shouldn't do, I suggest, are go it alone with restrictions and taxes. As I said before, all that happens is that people will fly elsewhere, that doesn't help. Carbon is the enemy. Not aviation. There's no such thing as Scottish carbon. It's just carbon. So if they're flying somewhere else that doesn't help.

So I really get frustrated with some of these policy decisions. In corporate decisions a particular example is the Scottish Government and CEC both at the moment ban flying to London for business trips unless you get special dispensation. If you look at what that's actually achieving, it's really really stupid. The time and cost burden if you add it up, ignoring the subsidy of the railway and ignoring Network Rail's carbon – Network Rail's got the second largest road fleet in the country of any organisation – you're spending about £250, time and money, on all your people, who likely are going to have to stay overnight because it's a long day doing a day-trip to London by rail. If you do all of that it's about £250 to save £1's worth of carbon. Take the £250 and do something more sensible with it! You'll have a far bigger impact on the enemy of carbon, is my suggestion!

And then a final point with policy change is to do it less often. I think we're waking up to that. Stop setting targets with no meaningful action behind them. I think the Government's particularly bad at doing that and have had to walk back from that recently, so I think we're learning. Perhaps we can get into some real practical things and worry about how fast we can pedal once we know we're doing the right things, rather than setting targets we don't know how we're going to get to.

Let's look at an example of a trip. An example of somebody coming for two weeks from Germany: flying in, traveling round, doing the North Coast 500. A lot of these numbers are kind of really rough estimates but they're going to give you the right sort of answer.

In this trip they've spent about £2,500 on having a good time in Scotland. About 10% has been spent on their air fare, where about 40% of the carbon is going to happen, maybe a bit more. Then it's all very well just saying, "well, let the airline deal with that". But the answer to that is "we'll fly less".

And carbon pricing is here, it's happening now. We all know it. It's going to happen more and it's going to get more expensive. If we just let the airline take the burden and we all sit back and say well we're doing OK, we're carbon neutral, we're fine, then it doesn't help. The value chain erodes anyway, people come less, and there's less opportunity.

If instead you say, well, let's look at the carbon across the whole chain. You might even be able to find small percentages here and there, and then share the burden of the cost of recovering our carbon, capturing that carbon, doing whatever it is we need to do to have an impact, then I think it can become quite affordable. And it becomes really affordable if, at the moment for example, the carbon price is about £40 a tonne, it's then less than a fiver worth of carbon we're talking about trying to deal with for this individual coming to Scotland. Now, I know carbon's too low priced. It's only going in one direction, that's true. I'm not suggesting it would stay at that. But just in this context right now. If the most important tonne of carbon you're going to save is the one you do now, not the one you do tomorrow, not in ten years' time, then we can actually get ahead of the curve, and when you can do things that work, then that's a really good way to go.

And if you look at what it would mean for a hire car company to have a bit more of a share, or a hotel have more share, then it's really small amounts of money. And I know a pound matters, I'm not suggesting it's free, but if you you're investing in actually making your whole product more attractive and more sustainable, then I think is actually more of an investment rather than a cost. And if we were going to raise the cash – this idea that we'd share that burden would have to be voluntary to start with, maybe regulatory if we to get into something that people understand – then what would we do with the cash?

Well, there's obviously some pretty traditional offsets like forestry – but again, the Scottish policy says we've to plant all our forests where we're currently managing the land – but if all we did was accelerate an established policy, we could do that. I love that rewilding and the peat restoration is actually that is a direct feedback into why people come to Scotland in the first place. I really like the idea that this is above and beyond the necessity. This is beyond what we have to do.

Regulatorily, we can invest in things that don't currently count but we think matter, like research and development in our universities to find the next technology to cut more carbon. And as long as we're getting kudos for that, and as long as people agree that's a sensible thing to do, who's to say we shouldn't?

As long as we all think this is the next best way of spending money, rather than just giving up and letting other people take our business, it could be really exciting. I mean, we all know we've got to change all the council house gas boilers: we actually have the technology that can do it, but we don't have is the funding. So imagine if the industry said we're relatively wealthy, we'll put some money into that, accelerate that. But at the moment nobody would let us use that as "offsetting". No scheme would let that count. But it would still save carbon.

The next tonne of carbon that we'll save at Edinburgh Airport will cost probably about £200 to £1,000 depending on which scheme we choose to take. That doesn't make sense when our neighbours down the road at an industrial plant in West Lothian could save a tonne of carbon cheaper. I'd love to help them, but nobody's going give us credit for it. Imagine there was a Scottish scheme that you got credit for and a hotelier in Skye, who's done everything they can already, and wants to be part of this great journey that goes above and beyond, sells stock as a leader and puts money in and helps us do it for example, or the council district heating as I said. Like there's some really really interesting ways. I particularly love the idea that you come and stay in the forest that you've paid for. I really like that. Or come and stay in the forest you're still planting and be a part of it. That is actually growth area: people want to have that authentic experience and contribute to biodiversity.

So if I finish with the question, is this a cost or an opportunity? Well clearly it is a cost. We're not going to say we're taking all this carbon you've been forcing down our throats now in terms of cost and we're only happy to find the money.

There is a cost. But I would suggest the alternative is a lot less attractive, so let's get ahead of the curve and really get into this and start doing. Because the alternatives are government taxes which are blunt, pointless and diverted. Or it means the customers don't come because we leave them to believe that flying to Scotland is something they shouldn't be doing and feel guilty about. Or we get, in short, the value of aviation just not understood. We don't understand. It's not just about people arriving at the airport, which is of no interest to anyone frankly, is about the fact they don't arrive on Skye.

So if it's not a cost we can avoid anyway, can it be an opportunity? There's this idea of this "brand value", this voluntary scheme that Scotland gets ahead of the curve. I think that's a hugely massive story we can tell. We don't need to solve all the problems overnight, we just need to be the best in Europe or the best in the world, whichever we pitch our targets at, and we need to do it together can be credible.

And so I'll finish with a wee model⁴. This is a concept model created to explore the question of what are we missing here.

4 Event slide 23 available from: <https://www.edinburghscience.co.uk/climate/our-climate-work/co-labs-notes/>

I think we've got the willingness, we've got the technologies, and got the problem that we need to solve. What we need, what we're missing, is this carbon exchange idea that's got credibility.

It needs some sort of quality assessment – sanctioned by government, sanctioned by science, based targets and all the rest – that says this matters. When you put your carbon credit in here, it's a real carbon credit. It fits our views. We're happy with it. If you put your research and development in there it's been sanctioned as something we all trust, that when we give them their money there's a good possibility they are going to come up with the next generation of technology for carbon reduction.

But on the buying side, not only do we need the customers themselves doing it. I know nobody ticks the box on the Ryanair site as they don't believe that is a true carbon capture effort, but this could be something people believe in. Not only could be the trade itself, but actually we can even offer relatively low-cost carbon credits to airlines as an attraction to be able to come in the first place. Because flying to Scotland will generate less carbon than flying somewhere else. And therefore we actually get the virtue cycle, rather than to the negative doom of saying we're going to become even more expensive, ever more expensive, and less attractive.

And if we do that together I would suggest that's an affordable solution where all you need to be is one, or five, steps ahead of everyone else, and you're the best in the world. And we have leadership, rather than being a follower. Well, and let me say if China, or India or America take one step in a sensible direction because we showed the way, then that will have far more impact than looking at all the carbon in Scotland!



Questions

Attendee: Thanks for the insightful presentations from both of you. So before I ask my question, I would like to share something with you because my company has got detailed insights into global consumption, of all sorts of energy. And we are quite certain that no major global developed economy is on track to reach net zero goals. None of them are.

In fact, we're so far that we've moved beyond the realm of ambitious to completely unrealistic. We're talking about the rest of Europe: countries that are actually driving climate and energy transition. So I think it's really important not to embark upon some business suicide in this mission because our emissions are a tiny, tiny, tiny fraction of global emissions. And we are doing absolutely everything in our power to decarbonise our scope one and two emissions, which is what we can control and what we can do something with. And our government is doing everything again, to try to support its policies, as much as they can, to try to kind of, move the transition in the right direction.

So the question is around SAF fuels, which are sustainable aviation fuels. So the UK government has just announced new plans to have a 10% target for SAF by 2030. Which is quite vicious in that it compares to 6% of aviation fuels in the European Union. However, currently we have less than 1% of SAF that's been purchased, so lots of airline companies are complaining, about the availability of some fuels, and producers that I normally work with that say, well, it's extremely expensive. So the policy is there, but the incentives are simply not there to do it. Approximately SAF is five times the cost of normal fuel.

What we have not been honest about, I think, is who is going to pick up this cost? The airlines like Lufthansa – that has been probably most ambitious in buying SAF – has said that it's the consumers. It's the customers that will have to pick up this bill and we have already seen the cost of airline tickets actually go up because of that.

Now, the question is, have we calculated the knock-on impact of this? Because there will be less flying and far from being "shamed" for not flying, my worry is there's going to be huge uprisings, especially from people who can no longer afford even Easyjet flights or Ryanair flights to go to their favourite destinations, and then the knock-on impact on tourist destinations elsewhere and then us here in Scotland. I don't think we have got actually quite mapped the knock on impact of less flying, if these mandates become enforced, by 2030. So maybe if you could comment on that, that would be great, thanks.

GD: I agree entirely. We don't have a strategy to move against the target. The 10% mandate is another one of these targets that have been whacked together.

There are some green shoots. There is now an acceptance by Treasury that we need to have a "cost per difference" model, but they've not said what it is yet. And we know that if you apply something well, you can convert something like offshore wind from being the most expensive form of energy to the cheapest in quite a short space of time, if you get the right investment, at scale, the right percentage, and of course, somebody pays for it, which is going to be the consumer. It's always going to be the consumer because everybody else is just a consumer under another name anyway, through either taxation or whatever.

Is flying going to get more expensive: yes it is. And therefore, less people will afford it. There is a challenge about access and sustainability and fairness in there. But that's true for just about every other sector as well. At the moment all of the decarbonisation strategies are more expensive than the fossil fuel strategies. So that's the reality: it's going to be inflationary impacts, we're going to have lots of ripple effects too.

In terms of aviation, I'm less worried about it because it's a relatively wealthy industry. It's going to slow our growth but it's not going to put us into decline, unless we get aggressive demand management taxation. We will be able to absorb these costs if we get the support.

The biggest question happening in Scotland at the moment is do we want to be an importer or a producer of SAF? We've got all of the natural opportunity to be one of the world's best producers. We're going to have a surplus of renewables very quickly, we're going to have some great feedstocks, we're going to have all the expertise come out of oil and gas that needs to find a new home, which is great for us. We've got some of the best research and development organisations. We need to get ahead of the curve.

That's not saying we have all the answers, we just need to set off in the right direction, with the right strategy, the right ambition and be ahead of the curve. Because nobody knows what's the curve's going to be, we just need to be on it, and we need to do it as fast as we possibly can.

Shona McCarthy

CEO, Edinburgh Festival Fringe Society

I'm going to talk very specifically. Not about the whole aviation and global travel and everything, I'm going to talk specifically about The Edinburgh Fringe.

You see, my provocation is "Mirror mirror on the wall. Who's the most accountable of them all?" Because it doesn't matter how small our sector is in terms of how it holds itself to account for all sorts of ethical things.

I'm going to make a case for the Edinburgh Fringe as a sustainable model of large-scale events and some things that might surprise you.

There is no growth agenda for The Fringe, its continued success is not dependent on growth. But as the world's original open access event, it is about inclusion and does strive to remove barriers to participation.

Even pre-Covid our marketing mantra in 2019 was "one more show not two more feet". Our focus was on making The Fringe the best experience for all and we shifted the narrative from talk of scale to talk about inclusion, cultural rights and freedom of expression.

It is important to understand that it is not just a festival – it is a vital marketplace, where annually the business of performing arts is done. So for many the compulsion to participate is about livelihood, career development and onward opportunity. Fringe audiences are largely from across Scotland and the wider UK, Scotland making up 58%, a further 30% from rest of the UK and the remaining 12 from overseas. Internationalism at The Fringe is largely artists, industry, media staying for the month or for long periods. Touring whilst in the UK, maximising stay, making a huge and sustained contribution to the local economy and many are loyal Fringers, repeating the visit annually.

The Edinburgh Festival Fringe Society used the Covid enforced cancellation of the Festival in 2020/21 to pivot, check-in, consult with the widest range of stakeholders about the future of The Fringe. The thing that remained most consistently important to all was the founding principle of open access. So we reinforced this commitment with a simple but powerful vision: to give anyone a stage and everyone a seat. And we made public commitments set out as six development goals to express our seriousness and chime with the UN Sustainable Development Goals.

We also live by the shared collective values of the Edinburgh Festival Fringe:

- Celebrate the Performing Arts – putting artists and Fringe-makers at the centre of our thinking, planning and business decisions, and championing freedom of expression, and an inclusive cross artform definition of performing arts that speaks to cultural democracy and creative bravery and risk.

- Be Open to All – strive for inclusion across all our work, making access an underpinning principle in all that we do and working relentlessly to remove barriers to access.
- Look Out for Each Other – ensure that kindness, generosity and positive engagement is our modus operandi in our relationships with The Fringe community, our stakeholders and audiences.

The role of the Edinburgh Festival Fringe Society is to uphold these shared values – and hold ourselves accountable for achieving them – in three ways:

1. Positive engagement: encouraging positive behaviours and decisions that reflect our values, whilst building shared trust in The Fringe community so that we can all embrace them.
2. Convening power: identifying challenges prevalent at The Fringe, convening the right organisations to resolve them and agreeing the collective and individual responsibility for action.
3. Measurement: measuring and benchmarking the operations and impact of The Fringe in order to recommend positive improvements and actions that we and other stakeholders can take to better The Fringe experience.

As I mentioned, as well as these values, we have made a public commitment to six development goals that are a shared roadmap to a vibrant, sustainable Fringe. They include being the best place in the world for artists to perform and the best platform for talent to emerge. And eradicating any remaining unfair or exploitative working conditions at The Fringe. Also, crucial one is to have an equitable Fringe: who you are and where you are from is not a barrier to attending or performing at the Edinburgh Fringe.



Questions

Attendee: Thanks Shona. We've talked about how ultimately the consumer pays for everything. I was just interested if you had a perspective from all of the things that you've already done to make The Fringe more sustainable: has that increased the cost base of all the performances, and has that been passed on to the ticket price? And has that had an impact on demand?

SM: Because of our inclusion agenda, we have frozen registration fees to be part of The Fringe for the seventeenth year now. And that's partly because artists have been at the coalface of the impact of Covid, and the cost of living rise. Most artists are freelancers, so we've tried to do what we can to mitigate against rising costs.

Still, the average price of a ticket for The Fringe is £12. And that's because our main mantra is about inclusion. But where we do see the hike in costs is accommodation: this year already was three times the amount that it has been in previous years, as many people reported to us. And with the concerts next August, it's off the charts now.

Attendee: Lots of things you talked about reducing printing, increasing digital, local suppliers, and what you've done with train travel: has all that stuff reduced cost or has that added cost to you as an organisation?

SM: It's a good question. I mean the reduction of print material and the bigger emphasis on digital has undoubtedly put a massive additional cost to us as an organisation. Some people may remember, we got into a lot of trouble in 2020 for not producing an app. And that's because it cost £250,000 to produce an app for The Fringe and coming out of Covid we simply didn't have it. But because of the reaction from our community we had to just find a way to invest in that, and we're still carrying the deficit now. And the website's about to fall over and we need to do a massive overhaul of our digital infrastructure. So yeah, that's going to cost.

Attendee: Shona, you're talking there about storytellers, and you've seen some of the things that have happened this year with festivals and Baillie Gifford and being affected by that rejection of that sponsorship and people walking away from sponsorship because of the pressure coming from the creators themselves. They are storytellers, but how much of the real story do they actually know? I agree with you and I think that we probably need to do more to make sure that those storytellers have their eyes opened to the facts and know what other people that are not good at telling stories, but are actually working on some of these things, and already know the reality of it.

How far away do you think we are from actually having that? How big do you think that divorce is between our creatives and the engineers and the scientists and everything? I mean, all the things that Edinburgh Science is obviously trying to do. Is that gap getting bigger? Are we actually doing stuff now to close it? How do we actually make that? Because I think we won't be able to meet all these targets that we all want to meet, without bringing those communities together.

SM: Yeah. That's a great point. And I don't think we are good enough at it at the moment. I mean, I spent I spent a lot of time in the last month talking to artists who have very extreme views about who you should take funding from and how you shouldn't take funding from, telling them about how The Fringe works and how everybody who's part of it is there at their own risk: it doesn't get some big, massive public subsidy. You can see the scales drop from people's eyes a bit, but for me, I don't personally have the time to kind of individually communicate to every single person who holds those news. But I do think there's a need for more things like this actually, to bring different people from different sectors together.

Maybe we do need some sort of better communication system.

Summary of Round Table Discussion

Knowledge, data and making smart choices

How do we move to action? Do we really know what that action should be? Are the economic decisions we're making for the economy based on the right information? For example, plane vs train vs buses vs infrastructure and the like. When we've got the information, how do we communicate it with others?

Though we in the room are making risk-based decisions – and we think we're quite good at it – there are many businesses and industries that aren't currently making any decisions and are waiting for the next generation or next kit etc. Everyone needs to be doing the obvious things now, not waiting for the next generation of tech.

"Shrinking to greatness" is not what we want to do. We need to focus on how we get people to come here as efficiently as possible, and then how do we slow them down? Importance of spreading out the burden, and benefits, of tourism beyond honeypots. For example, changing the view of The Borders to "Scotland starts here. Stop, don't just drive through".

Globally we are in a climate and nature emergency. Here in Scotland we have a wide range of natural assets and habitats – both land and marine – that can provide tourists with highly valuable, and often unique, opportunities. Do we really know our markets in these areas and are we effectively communicating our assets to that market? Including how we are different from England and Northern Ireland? People come here for our landscapes and our wildlife and our heritage, so we need to protect them as our assets, as well as in their own right.

Barriers identified

- Access to knowledge and expertise. Very difficult to get access to the right expertise to know if we are making the right decisions. And if we invest in technologies as part of carbon footprint reduction, can we find people to help us do it at a reasonable cost and timescale? Also, how do people actually view how the offsetting money is being spent in their area? For example have communities in the North of Scotland felt the benefit of offset schemes that have already invested there?
 - Access to trusted sources of data. Where do I go for information: who do I believe? Many businesses and organisations don't have time or access to resources to wade through all the information out there, so there's a need for summaries and translation pieces by shared trusted sources, importantly linked back to storytelling in a language that is accessible and meaningful. Including learning from other people's experiences. Also are we really being honest in the stories that we tell about our actions, and about the actions that we need to take?
 - Mining the data. It's true that having better data enables better decision making and better investments. However, it was said "once we have better data, we will be able to make better investments" raising the question, what is the data that we are waiting for? Are those providing business and industry with data not providing the data that we need? And how can this be rectified? Also we need data and analysis to fully understand what attracts our current and potential tourist markets. For example, do we understand what part of our cultural experience our American visitors are looking to engage with?
 - Infrastructure. We need to be better at managing tourism at the destination level. We need to be better at spreading tourism out – and with that spreading the benefits and investment from tourism as well as the pressures it causes – out across communities instead of having it all focused in honeypots. We need to focus on the message to tourists of "get here, stay longer, do more, spend more money", but at the moment that is critically limited by infrastructure. People can't get out and do and see without well managed travel infrastructure.
 - Current economic climate. All of these discussions about tourism are difficult when there's a cost of living crisis here in Scotland. What's the social impact of focusing on getting people to come here on holiday, when those that live here may not be able to afford to go on holiday themselves?
- Cost. This stuff isn't free. There needs to be an investment case, but it's very difficult to do this on a basis of carbon footprint reduction. Need to know what we are currently missing out on and what will we gain from taking action and making carbon reduction changes.
 - Prioritisation of expenditure. Most people are saying they are "on the journey" to transition, but they've actually only got as far as changing the lightbulbs in the office because they've had to prioritise costs elsewhere. How do businesses prioritise changes they want to make and know they need to make against a background of other huge cost pressures?
 - Small and rural nature of much of our tourist industry. These are often the businesses facing the biggest challenge to balance carbon reduction actions against other critical costs. It is also much more difficult for them to know the best practice and access infrastructure.

Actions to Take

1. We need a better system of communication. We need to share well informed and trusted rules-of-thumb and case studies widely. These rules of thumb don't need to be perfect solutions based on specialist circumstances, but need to be a working guide to help people take those crucial second steps on their journey.
2. Climate activism has been leading policy change, but now is the time for us to push back on that and make sure energy literacy is at the fore in our policy making, along with climate pragmatism. We need to engage storytellers with the facts.
3. Tourism is an export industry, and needs to be thought of as such. We need to recognise tourism's role in the wellbeing agenda and the volume of job as related to hospitality and tourism.
4. We need to think and work together across Europe in our policy development. For example, if we make policies against golf courses in Scotland, other countries will say to this huge market "if Scotland doesn't want you to go and play golf in Scotland come to us in our country!"
5. No-one in Edinburgh council has tourism in job title and so no one is seeing it as an opportunity, only a burden. We need to Thinking holistically about planning decisions for events and accommodation across the City and across the whole year is crucial.



Sefton Laing closing comments

A thought to bring together all we've heard today is to ask, what could the future look like?

We've said it doesn't have to look at the past. It's not just about growing by doing things that we've already done, it's about doing new things. Maybe we need a new sort of brand for some of these types of climate-conscious tourism in Scotland for example.

I like to think about Scotland as a meeting place for ideas. That's been part of Scottish history, and it still is very strong of who we are today. It's also what these **Co-Lab** sessions are about, so that's good!

The other stand out things we've heard today I think are the need for investment in infrastructure, without which, as everybody knows, if you try to travel around it's difficult, whatever means of transport you're using. And the need for simple advice to small businesses, especially as 80% of this industry is small businesses. Lots of people have had a go at trying to provide this, but it seems we're still failing to provide all businesses with the information they need to address things like energy efficiency.

I will finish there. Thank you, everybody, for your contributions. Super helpful and interesting.

Participant List

FIRST NAME	LAST NAME	ON BEHALF OF	ROLE
Andrew	Aldridge	NovAzure	Partner
Julia	Amour	Festivals Edinburgh	Director
Sallie	Bale	Monument Marketing	Strategy Consultant
Christabel	Barrowman	Edinburgh Science	Development Co-ordinator
Mark	Biagi	Bentley Systems	Senior Director - Energy
Ali	Birkett	Edinburgh Science	Event Developer
Jessica	Briggs	Edinburgh Airport	Head of Sustainability
Franck	Bruyere	The Royal Yacht Britannia	Director of Hospitality
Dong-Thu	Caohuu	US Consulate Edinburgh	Economic Officer
Marie	Christie	Visit Scotland	Head of Development – Events Industry, Events Directorate
Darragh	Clear	Tata Consultancy services	Sustainability ESG Consulting Partner
Christina	Cody	Baillie Gifford	Investment Analyst, Climate and Environment
Christoph	Crepaz	Consulate of Austria	Honorary Consul of Austria to Scotland
Marc	Crothall	Scottish Tourism Alliance	Chief Executive
Gordon	Dewar	Edinburgh Airport	Chief Executive
Hassun	El-Zafar	Edinburgh Science	Director
Alix	Farr	Travalyst	Transportation Product Manager
Barry	Fisher	Keep Scotland Beautiful	Chief Executive
Lynne	Halfpenny	Imagine	Chair
Eleanor	Harris	Galbraith	Environmental Manager
Kevin	Havelock	Royal Bank of Scotland	Regional Director, Corporate, Commercial & Business Banking Edinburgh & East of Scotland
Anne	Johnstone	Vital Energi	Head of ESG
Valentina	Kretzschmar	Wood Mackenzie Ltd	Energy Transition Director
Sefton	Laing	Baillie Gifford	Senior Climate & Environment Specialist
Paul	Lettice	Wright, Johnston & Mackenzie LLP	Director of Commercial Growth
Courtney	Macdougall	Vattenfall	Commercial Manager, BU Heat UK – Scotland Region
Robert	Marrs	Wood Mackenzie Ltd	Head of ESG
Ieva	Matiukaite	Edinburgh Science	Development Officer
Paul	Matthews	AECOM	Regional Director, Transportation
Shona	McCarthy	Edinburgh Festival Fringe	Chief Executive
John	McCroskie	Zero Waste Scotland	Director for Evidence & Insights
Aaron	McKeen	Edinburgh Airport	Sustainability Engagement Manager
Rebecca	McLean	Sweco UK	Head of Sustainability, Advisory & Planning
Sophie	Moxon	Edinburgh International Book Festival	Director
Ondine	Oberlin	Imagine	Company and Finance Administrator
Jerry	O'Donovan	Consulate of Ireland	Consul General of Ireland to Scotland
Stephane	Pailler	Consulate of France	Consul General, Director of Institut Français d'Écosse
Alan	Peacock	Vital Energi	Projects Development Manager



Left to right: Sefton Laing [Baillie Gifford], Hassun El-Zafar [Edinburgh Science], Shona McCarthy [Edinburgh Festival Fringe], Gordon Dewar [Edinburgh Airport], Marc Crothall [Scottish Tourism Alliance] and Hannah Schlesinger [Edinburgh Science].

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