

Making sense and cents

Do the right things and there is a reward when reducing your carbon footprint.

By **SARAH LANG**

JUST A few years back, an environmental footprint was something that got stuck to your shoe while tramping, not something for a business to worry about. Now you would be hard-pressed to find a firm that hasn't taken a good look at its environmental impact.

But a petrol company? Sustainable 60 entrant Gull is the first to admit its kind isn't top-of-mind when people think sustainability. "We can't escape the fact that our products are a significant contributor of GHGs [greenhouse gases]," says Karl Mischewski, Gull's peppy 'sustainability champion'. "That's why we have a responsibility — some would say more than others — to address this. There'll always be people that knock us and say it's just spin because we're perceived to be one of the nasties. But hey don't shoot the messenger — it's the consumer who decides what they put in their car."

And Gull wants that to be biofuels. Up against the 'Big Four', New Zealand's first biofuel retailer — the only one unless you count a little Mobil tinkering — pumps 98-octane Gull Force 10 at its 36 stations countrywide, and 91-octane Gull Regular Plus at eight of these. The biofuel blends contain 10% ethanol sourced from whey, a dairy industry byproduct.

Gull didn't just climb aboard the biofuel bandwagon — it proactively investigated the area. "It made sense and cents. We've been offering this more climate-friendly alternative for over two years but unfortunately not many people realise we sell biofuel-blended products and they can reduce their carbon footprint by simply choosing biofuels over fossil fuels."

Initially, car manufacturer and driver unfamiliarity with biofuels, and misconceptions about biofuels' sustainability and suitability for New Zealand vehicles posed challenges. "Most modern cars can happily use biofuel blends, but most people develop fuel-purchasing habits and stick with them. Have you tried a different search engine if you're already using Google?" And so Gull spread the word. Then-prime minister Helen Clark filled the first tank at the 2007 launch, the Energy Efficiency and Conservation Authority (EECA) endorsed the products, and a consumer education programme began at Gull sites.

There's still a way to go, but numbers are encouraging. Gull's biofuel-blend sales have reduced New Zealand transport's CO₂

emissions by 5000-plus tonnes in two years, and should see it fall a further 4500 tonnes in 2009.

Gull sees itself as an orator in a wider debate. It's a signatory, member and supporter of various international and local groups (including Greenpeace's 'Sign On' campaign) that seek to slash GHGs. And it's not resting on its biofuel laurels: other environmental initiatives include a co-mingled recycling trial, fitting out stations with efficient LED-canopy lighting, and an imminent move away from plastic bags in Australia. "Take a step in the right direction and then another, that's how Sir Ed did it," says Mischewski.

The carbon challenge has also been a significant one for Urgent Couriers, and its successful efforts to tackle it made it the winner in the Sustainable 60's environment category.

"It was something we needed to address if we were going to be serious about sustainability — how do we do something that is positive and productive about reducing that carbon footprint or mitigating it?" says the courier company's founder and managing director Steve Bonnici.

The company's efforts have centred around two key areas — going carbon neutral by gaining CarboNZero certification and shifting its fleet to low-emission vehicles.

The company made "the big call", Bonnici says, in 2006 to go carbon neutral and was the first transport operator to have its entire operation certified CarboNZero when it gained certification in 2007.

Buying carbon credits to offset its emissions costs the company around \$30,000 a year and has provided significant impetus for further improvements.

"Once we started paying for carbon credits it gave us a much stronger incentive to make changing our vehicle fleet a priority and setting some really ambitious targets," he says.

The company decided in early 2008 to try and shift the bulk of its fleet to low-emission vehicles. Based on its particular needs, it established a list of about six acceptable vehicles. It then identified the ageing vehicles in its fleet that were due for replacement and worked with its courier drivers (all contractors) to make the change. The company bought up a significant number of cars that fit the low-emission criteria it

ENVIRONMENT FINALISTS

- AMP Capital Investors/Bayfair Centre
- Landcare Research Manaaki Whenua
- Mighty River Power
- North Shore City Council
- **Urgent Couriers (winner)**
- Westpac



An Auckland Regional Council tree planting at Long Bay Regional Park

had set, painted them the requisite colour if required and then supplied no-deposit loans at competitive rates to help finance its drivers into them.

As a result the composition of the company's fleet had shifted from 20% low-emission vehicles to 60% by March 2009. The aim is to reach 80% by March 2010 and, ultimately, 100%.

As a result of its initiatives the company has managed to reduce its carbon intensity from 168 grams per dollar of turnover in 2006/07 to 153 grams per dollar in 2008/09.

It's about embedding an environmental focus in day-to-day business practices, rather than it being an afterthought. That's what happened at 95-store Mt Maunganui mall Bayfair Shopping Centre, a finalist in the environment category, since it began overhauling its environmental performance in 2003.

Saving costs was the initial driver, admits operations manager/sustainability leader Steve Ellingford. Payoff came quickly: installing an efficient building management system saved \$13,053 in six months. "Once we got going, the benefits were obvious and

"IT'S ABOUT GOING THE EXTRA YARD AND BEING A NEW ZEALAND LEADER"

PAUL CHALMERS

it was almost addictive." Concentrating on waste and energy management, Bayfair introduced initiatives gradually according to a 'step-by-step philosophy' to work out the best way forward and get people on board. Take its approach to food court waste, which started by sorting plastic bottles. Ellingford then suggested to less than eager staff they sort cans for just a week. "A week later they had already organised someone to pick up the cans and used that money for their social club. That was a real mind shift: taking ownership." By the time Bayfair got rid of all common area bins, customers had got used to the idea of leaving their rubbish for staff to sort into waste streams, and staff had got used to doing it. Quarterly training sessions for retailers, and getting staff along to presentations by sustainability-focused organisations, helped build consensus and pride. "The culture's grown to the point

where what they do [environmentally] day in day out isn't an added extra — it's a basic expectation," says Ellingford.

But what can one shopping centre do? Well, its carbon footprint has reduced by 22% (93.2 tonnes), the equivalent of taking 21 standard-size cars off the road for one year. Over half the centre's waste is diverted from landfill every month; 95% of food waste becomes compost. And the savings add up. "Being sustainable is hard, but to the tune of nearly \$500,000 it's not that hard," says Ellingford. The figures so impressed AMP when it bought half of Bayfair in 2006 that its approach is being rolled out over the next three years in AMP's four other New Zealand shopping centres. But it has been give and take: AMP provided an overarching sustainability structure that saw Bayfair build environmental targets into its business plan and staff performance-management plans.

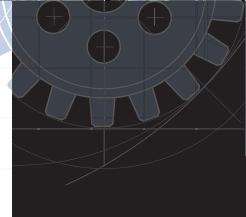


An aerial view of Mt Maunganui's Bayfair mall (bottom right)

As Sustainable 60 entrants attest, you need to set up a structure and specific, measurable goals, like Gull's four-pronged Sustainability Strategy, to get results.

Employing people with a mandate to manage sustainability projects is also crucial. Gull has its sustainability champion and Bayfair its sustainability manager. Another Sustainable 60 entrant, the Auckland Regional Council, has seven sustainability specialists. Project leader sustainability Paul Chalmers says his six major goals — including reducing energy use, GHG and CO₂ emissions by a specific percentage — are “totally embedded in my head and drive nearly everything I do”.

It's not just what you use, it's who you use. The advent of sustainable procurement has seen organisations increasingly take sustainability considerations into account when buying a product or service — the challenge is extended down the chain. Shape up or ship out. Take Bayfair, whose sustainability programme has trickled down to retailers, customers, contractors, suppliers and service providers. That's partly due to its 25-question assessments of 'like-minded' firms before it procures contracts weighted



“THAT WAS A REAL MIND SHIFT:
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STEVE ELLINGFORD

towards environmental practices. Sustainable procurement practices are also a big driver in government, including the ARC, whose purchasing decisions have a long-lasting ripple effect.

For the ARC, it's not just about its legal obligation to protect the environment. “It's about going the extra yard and being a New Zealand leader,” says Chalmers. The ARC has hundreds of initiatives: the breeding programme to reduce emissions on its 12,000-hectare farmland, an energy-management programme across its regional parks, ensuring the Rugby World Cup runs efficiently ... the list goes on.

But Chalmers' most prized achievement is the ultra-efficient lighting upgrade of the ARC's two-tower, seven-floor head office in central Auckland. “Before the building was ablaze with light, now it's pitch black, but that's the beauty of it.” Minus 2000 old

fittings, you'll now find efficient lighting and occupancy sensors doing their work. The electricity bill is down nearly 90%, the carbon footprint is 391 tonnes lighter, and it's saving \$126,000 per year. Part of the ARC's approach is to 'pick low-hanging fruit' before reaching for what's further away. Embedding these initiatives in policy means they're likely to survive any supercity shenanigans.

A clear theme in this category is the shrugging off of tall poppy syndrome; the willingness to share successes and strategies. Gull hasn't tried to hog biofuels, speaking widely about what it did, says Mischewski. And why stay mum? Bayfair has calculated its media coverage in 2008 alone was worth \$417,000.

“Do the right things and there's a reward,” says Ellingford. “And when all those small habits add up, that's what makes the difference to the planet.”