




Growth

for impact

Report for the
2022 financial year

Update to our
[2020/2021 Integrated Report](#): 

This report has been written
and designed in-house by our
thinkstep-anz Communications
and Creative team.




*Succeed
sustainably*

Contents

About this report	4
From our Directors	5
The last year at a glance	7
How we manage our business	8
The environment we worked in	10
How we responded to this environment	12
Holding ourselves accountable	13
Our climate statement	15
Our carbon emissions	17
Looking ahead	21
Thanks	21



This report updates the detailed, award-winning report for our 2020 and 2021 financial years. We've summarised the main changes over the past year in the environment we're working in. Then we've set out how we responded and expanded on the more important issues.

Where relevant, we refer to pages in our 2020/2021 report. Look for this symbol to refer to it: 

ABOUT THIS REPORT

Welcome to the 2022 update to our 2020/2021 integrated report. It tells the story of our trans-Tasman sustainability business between 1 January and 31 December 2022.

We're proud to share the impact we're continuing to have as we help organisations across Australia and Aotearoa New Zealand succeed sustainably.



FROM OUR DIRECTORS

From Barbara and Matthias

We're pleased to report on another interesting, exciting year at thinkstep-anz. 2022 continued the theme of our 2020/2021 integrated report – **growth for impact**.

More services, clients and shared resources

Governments and businesses in Australia and New Zealand addressed the climate challenge with growing urgency. We responded by expanding our services, including our green finance and green building offers and plain English communications.

Our client base grew steadily too. We worked with new clients and helped many existing clients, including InfraBuild, Comvita and Fletcher Building, take the next steps to become more sustainable.

We launched our [Scope 3 Explorer tool](#) to help clients understand their value chain emissions; part-funded and produced an embodied carbon calculator with the New Zealand Green Building Council; and ran 23 free webinars and workshops.

A growing trans-Tasman team

Growth meant welcoming new team members, opening physical offices in Sydney and Auckland and rolling out new processes and systems to deliver for our clients.

The results of this work

We're excited to report what we're achieving. This includes building a talented team, helping clients have a sustainable impact, increasing our revenue, growing our 'brand recognition' and winning awards for our plain English communications.

Thank you

Thank you to our amazing trans-Tasman team. You're a smart, hard-working bunch and we love working with you! Thanks too to our many clients for trusting us to help you succeed sustainably.

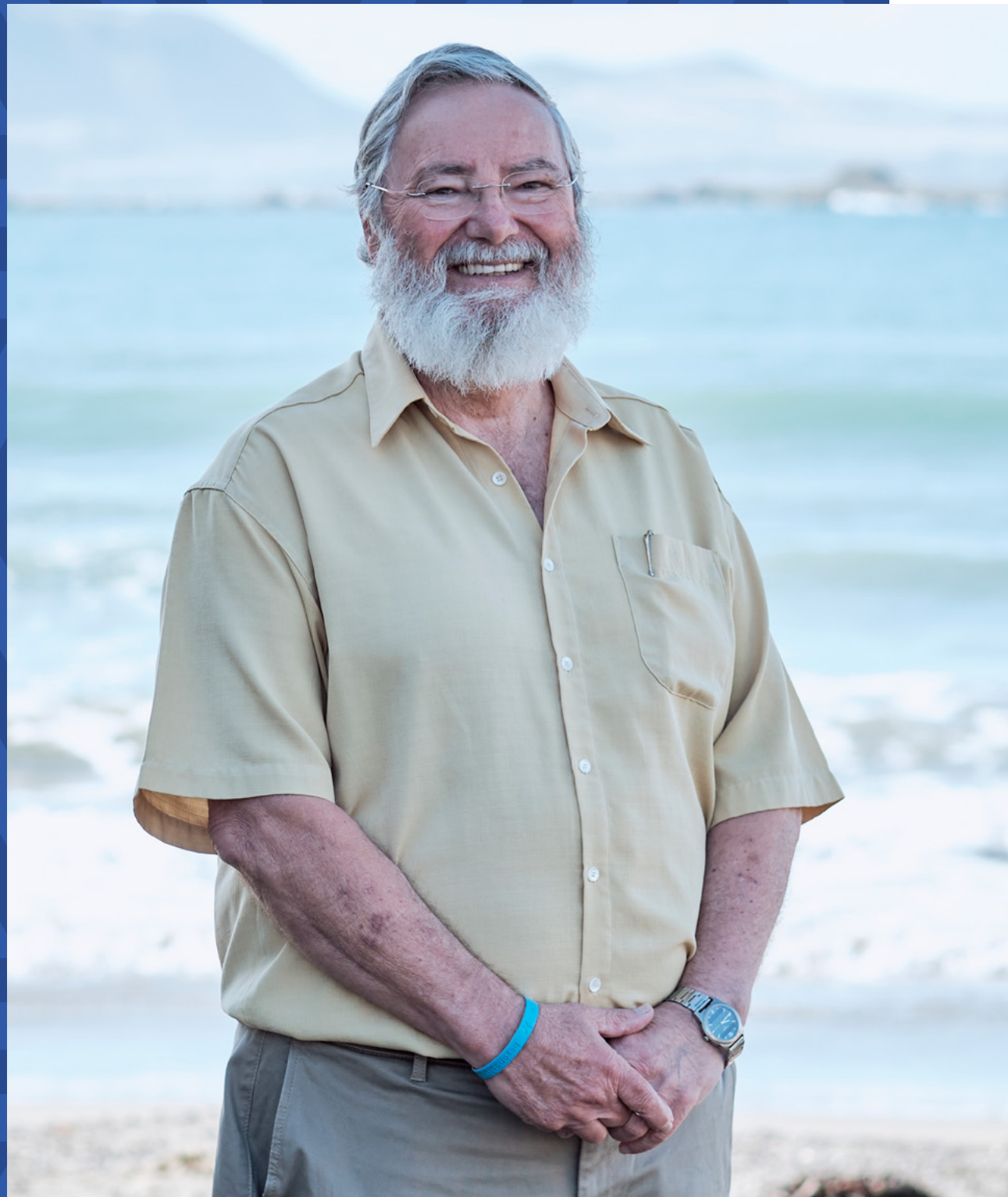


Matthias Nebel

Director of Strategy, IT and Communication

Barbara Nebel

CEO



Simon Whitehouse
Independent Director

From Simon, our Chair

2022 has been a big year for every community, person and business on the planet as the world emerges from the Covid-19 pandemic. At thinkstep-anz, we've shared the same health, social, economic and environmental challenges. Working our way back to the 'new normal' has been the Board's focus this year.

Adapting to this 'new environment'

We continued to review and develop our governance to ensure it is 'fit for purpose'. Top of mind have been our team, including their health and wellbeing, our company's financial health, and the policies that guide our work. We also focused on the skills and structures we need to take advantage of new opportunities as we grow and expand our client services.

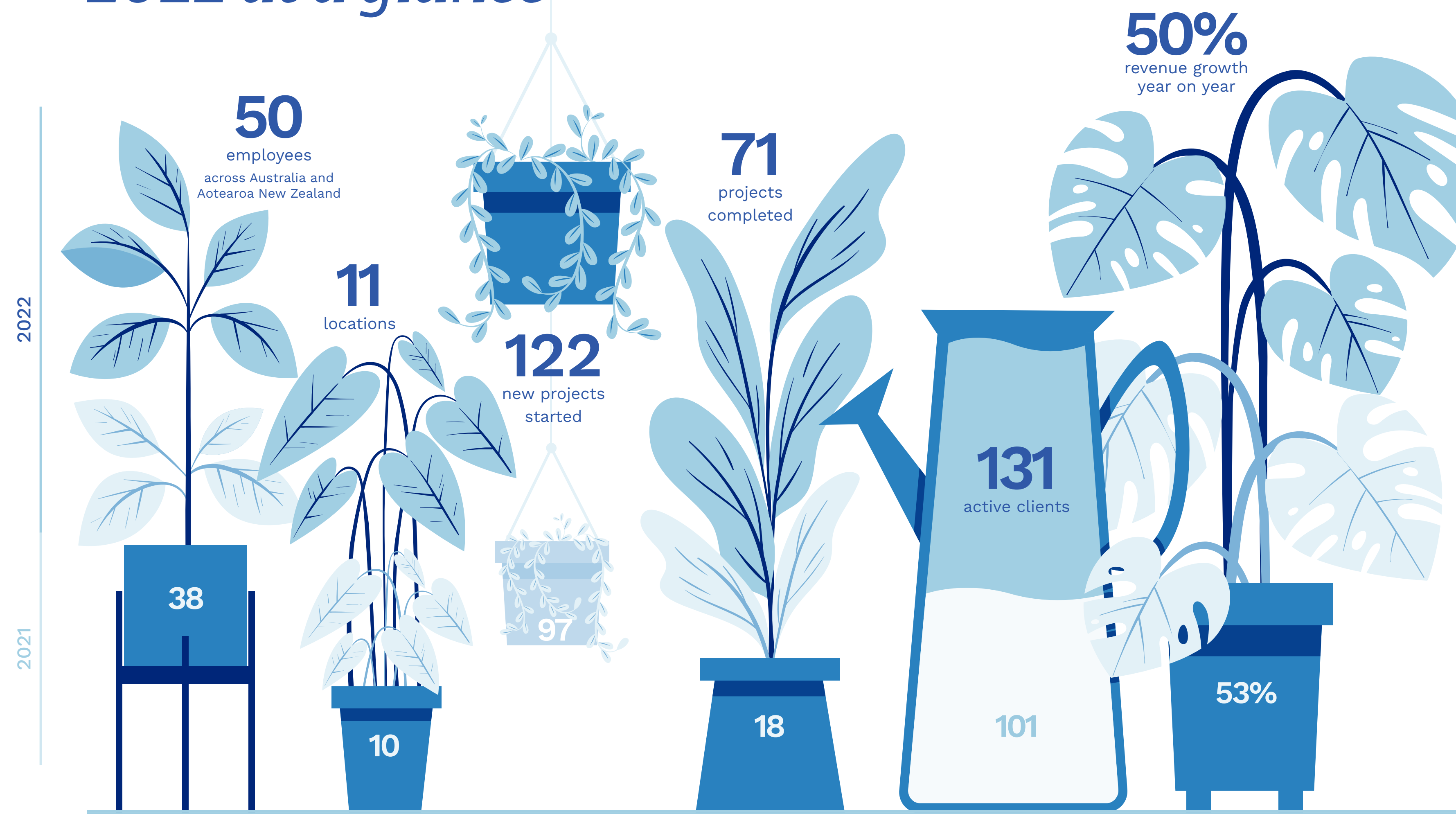
Looking ahead

2023 presents great opportunities as well as challenges. For example, the Australian Government's policies and initiatives are encouraging organisations to act more sustainably and seek our services. We need to embrace these opportunities while not over-stretching ourselves.

Growth is exciting (and challenging) for all small- to medium-sized businesses, including our own. We are well-placed to continue to grow, with strong, respected executive leadership, skilled, engaged employees and effective structures, policies and procedures.



2022 at a glance



Highlights

- Increased brand recognition
- Influenced government policy¹
- Produced framework to measure embodied carbon in Australian buildings²
- 55 new clients
- 74% of projects with existing clients
- New services, including green finance
- Signed new climate Statement of Ambition³
- Three Plain Language Awards⁴
- 904 people gained skills by attending one or more of our 23 events

¹ National Australian Built Environment Rating System (NABERS)
² National Australian Built Environment Rating System (NABERS)
³ New Zealand Climate Leaders Coalition of businesses
⁴ Trans-Tasman Plain Language Awards 2022



HOW WE MANAGE OUR BUSINESS

We use the six capitals in the Integrated Reporting Framework <IR> to manage and report on our business.

In <IR> terminology, these capitals are human, intellectual, financial, social and relationship, natural and manufactured.

Five of the six Integrated Reporting capitals are relevant to our business. As a professional services business, we have not reported on manufactured capital. We have chosen to express our capitals using the language and icons below.



Our people



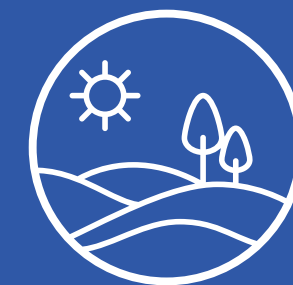
Our knowledge and systems



Our finances



Our partnerships




Our natural world



HOW WE MANAGE OUR BUSINESS

Our 'sustainability' framework

These are the main features of our 'sustainability' framework - how we manage our business to succeed sustainably.

	2022 (based on previous years)	2020/2021 ref 
Our Board and leadership team	Unchanged	
The SDGs we work to advance	Unchanged	Page 11
Our material topics	Unchanged	Page 12
Our five capitals	Unchanged	Page 15
Our sustainability certifications	New certification: Certified Implementation Partner, Circular Transition Indicators (CTI)	Page 18
Our sustainability partnerships	New appointments: <ul style="list-style-type: none"> → Nicole Sullivan (Board of Australian Life Cycle Assessment Society, ALCAS) → Kimberly Robertson (existing member of EPD Technical Advisory Group, Australia; joined thinkstep-anz) → Emily Townsend (MBIE's new Building for Climate Change Technical Advisory Group)¹ 	Pages 44 and 45

¹ Ministry of Business Innovation and Employment



Our top five material topics

These were unchanged in 2022.

- Sustainable financial performance
- Employee health, safety and wellbeing
- Client and stakeholder relationships
- Service delivery
- Recruiting talent.

These three topics rated highly too: leadership, culture and values, employee development.

Our clients rate science-based data as the topic that matters to them most. Data continues to be the cornerstone of all our work at thinkstep-anz.

The SDGs we work to advance



The environment we worked in



A tight labour market

The labour market continued to be tight on both sides of the Tasman. We saw strong competition for skills, particularly for practitioners of Life Cycle Assessment (LCA). Getting our mix of skills right proved challenging at times. We need to deliver for our clients while freeing up our senior team to coach more junior team members.



Growing interest in embodied carbon

Interest in embodied carbon continued to grow, particularly in Australia. The challenge is to bring government, industry and non-government organisations together to share knowledge and approach the topic in a measured, consistent way that benefits everyone. This is an opportunity for us.



Changing client needs

Clients approached climate action, and sustainability in general, with more urgency. They shared these motivations: to manage environmental and financial risks and costs; build brands and relationships; be guided by science and data; gain (or offer) sustainability-linked loans; avoid greenwash.

We noticed a shift in ‘sustainability maturity’. These are the sustainability activities, from entry-level to advanced, that our clients focus on. In most cases, clients understood that they need to act – and quickly. Many had sustainability projects underway.

Increasingly they came to us in 2022 wanting to take the next steps: to create a medium- to long-term strategy; to understand what regulations and national or sector guidance mean for them; to set measurable targets; to communicate complex sustainability concepts to have an impact. These were all opportunities for us.

As a result, we did more complex projects and more connected projects (e.g. carbon and LCA, LCA and communications). We also worked on more climate risk, green building, communication and design, and circular economy projects.



The environment we worked in



Slowing economic growth

In 2022 economies slowed in both Australia and New Zealand.



Supporting a growing business

As our business grew, we invested in support roles on both sides of the Tasman and continued to refine our structure and processes. The challenge is to support our business while we manage our overheads. We opened physical offices in Sydney and Auckland.



Keeping an eye on our own sustainability performance

As we grow, we need to continue to meet our targets, including our science-based target. As the Covid-19 crisis abated, our team travelled more. This helped us build relationships with clients and team members but increased our carbon footprint. As a service provider, most of our emissions are in our supply chain, so working with our suppliers is the best way we can manage our carbon.



The impact of Covid-19

Sick leave increased as many team members came down with Covid-19, including our Directors.

Thank you to team members who backfilled roles while their colleagues recovered.



This 'get well' card from the team helped our two New Zealand directors recover quickly from Covid-19.



HOW WE RESPONDED TO THIS ENVIRONMENT

These actions supplemented the actions on page 26 of our [2020/2021 report](#): 



Our people

Our team's skills, knowledge and experience

- We employed 12 new team members
- We invested in business support roles
- We set up our internal leadership programme
- We trained our team in plain English
- We updated our process for performance reviews and separated development discussions to give them more focus



Meet one of our new Australian team members: [Joel Edwards of Canberra](#)



Our knowledge and systems

Our tools, documentation, data, processes and systems

- We expanded our services, including green finance, communications and design, and managing climate risks
- We launched our Need to Know quick reference guides
- We launched our Scope 3 Explorer to help clients identify their value chain emissions
- We improved our project management processes
- We refreshed our brand and visual identity



This Nutshell (short-form report) for Vodafone is an example of our plain English communications*

* Vodafone New Zealand is now One New Zealand



Our finances

Generating and using financial resources

- We improved our financial processes and support
- We focused on adding value for clients with complementary services



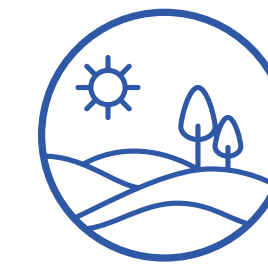
Our December webinar: [Embodied carbon with the National Australian Built Environment Rating System](#) had 149 participants



Our relationships

With clients, partners and the sustainability community

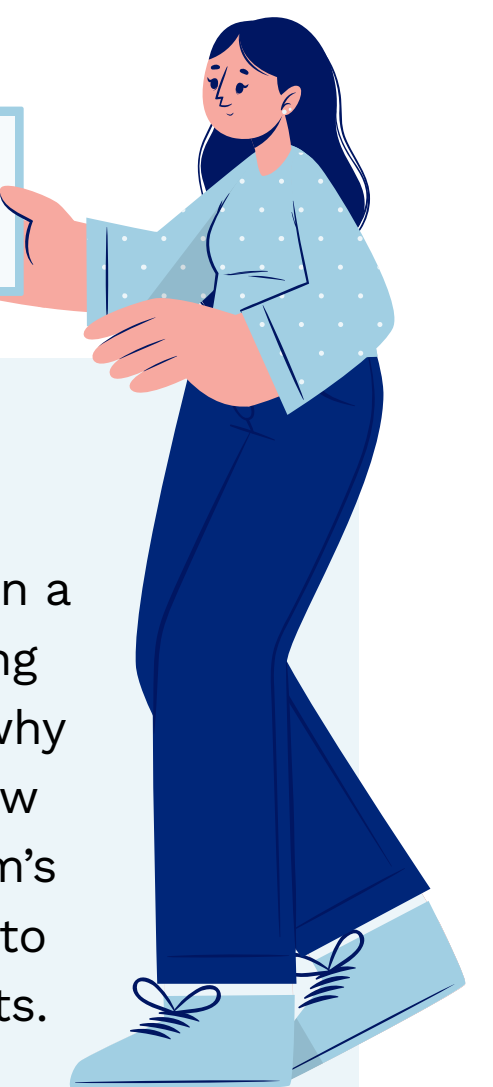
- We expanded our sustainability partnerships
- We supported the New Zealand Climate Leaders Coalition's mentoring programme
- We sponsored seven young people to attend a sustainability conference



Our natural world

Access to natural resources

- Our new Sydney and Auckland offices are served by public transport and some team members can cycle to the office
- We continued to minimise air travel



Refreshing our brand identity

As our business changes, our brand does too. Our clients tell us that they see us as the 'approachable technical experts' – and we like that! Our refreshed brand identity reflects this: concise, personal language; contemporary, professional font; warm, engaging design.

However, our brand is much more than a visual identity. We view it as 'everything we say and everything we do'. That's why 2022 saw us work hard to improve how we deliver our projects, build our team's skills, and use plain English language to 'demystify' sustainability for our clients.

Holding ourselves accountable against our targets

We have carried these targets forward from pages 16 and 17 of our 2020/2021 report and added several new ones.

Capital	Our targets for 2022 (* also applies to 2023)	Output and comments	Outcome	SDG
All capitals	Increase our B Corp score above 96.8 (2018)*	<input type="radio"/> We will recertify in 2023	→ Be credible with clients → Become more sustainable	
 Our people	Provide leadership training for senior team: one per year*	<input checked="" type="checkbox"/> Achieved: Our Head of Carbon attended the NZ Sustainable Business Council's Sustainability Leadership Programme	→ Build our team's skills → Help clients have an impact	
	Increase number of certified LCA practitioners by at least one each year*	<input checked="" type="checkbox"/> Achieved: Two completed; three in training		
	Provide other training opportunities for at least two staff each year*	<input checked="" type="checkbox"/> Achieved: Circular Transition Indicators tool (two employees) Plain English (25 employees)		
	Provide formal governance training for at least one director*	<input type="radio"/> Booked for 2023	→ Improve our governance	
 Our knowledge and systems	Run 20 free webinars/workshops per year*	<input checked="" type="checkbox"/> Achieved: 23 events, 904 unique participants Average 131 registrations per webinar	→ Grow our brand and networks	
	Produce one thought leadership report per year*	<input checked="" type="checkbox"/> Achieved: Low Carbon Circular Construction (report) Embodied Carbon Calculator (with NZGBC)	→ Build our team's skills → Help our clients have an impact	
	Be independently recognised as leaders in sustainability communications*	<input checked="" type="checkbox"/> Achieved. Three trans-Tasman plain English awards		
	Refresh our brand	<input checked="" type="checkbox"/> Achieved. See break-out box on the previous page	→ Market our offer	

KEY

We achieved our 2022 goal Goal not achieved but activities underway Goal not achieved

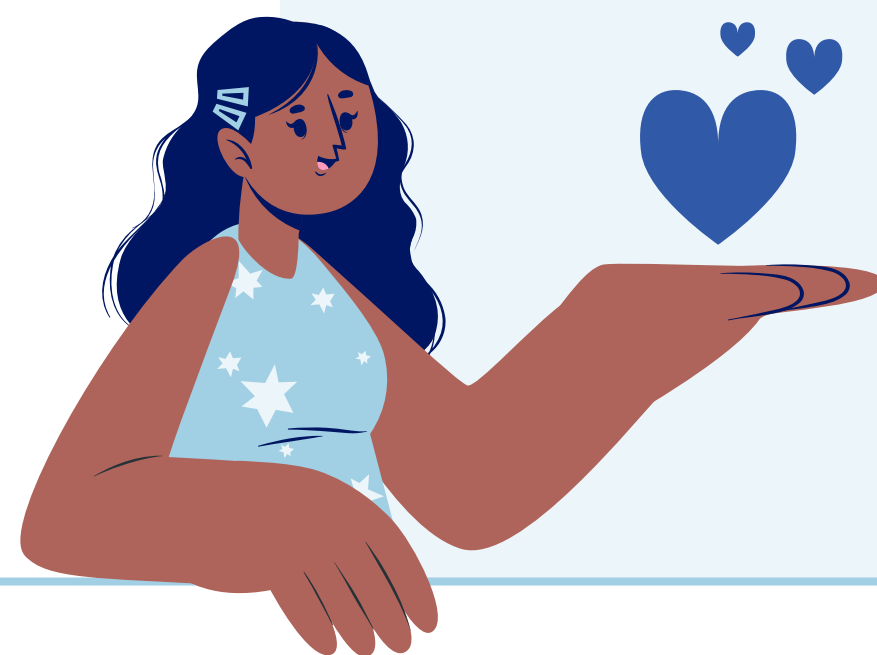




Capital	Our targets for 2022 (* also applies to 2023)	Output and comments	Outcome	SDG
 Our finances	Increase our revenue 20% year on year*	✓ Achieved. Revenue up 50%	→ Increase financial sustainability	
	Invest 5% of revenue in 'give back' projects and thought leadership*	✓ Achieved. See the break-out box below	→ Support others' sustainability efforts	
 Our relationships	Build relationships in Australia*	✓ Achieved. GBCA, MECLA, ACE Hub, government	→ Grow our networks	
 Our natural world	Stay on track to meet our SBTi target*	✓ Achieved.	→ Play our part to achieve Paris goal to keep global warming below 1.5°C	
	Have our carbon footprint independently audited*	○ Underway. See page 17.		
	Offset emissions we cannot avoid*	✓ Achieved. See page 18.		
	Engage at least one supplier to start measuring their carbon footprint	✗ Not achieved.		

KEY

✓ We achieved our 2022 goal ○ Goal not achieved but activities underway ✗ Goal not achieved



Some of our Give Back projects

- Creating an Embodied Carbon Calculator (50/50 partnership with NZGBC)
- Chairing the Life Cycle Association of New Zealand (LCANZ)
- Funding carbon footprint and LCA projects for three innovative start-ups that are taking action against climate change
- Supporting seven young sustainability professionals with a Next Generation Scholarship to build their sustainability skills and networks
- Sharing our skills, including through our webinars, workshops and memberships of advisory groups
- Supporting the Materials and Embodied Carbon Leaders' Alliance (MECLA)'s Dictionary of Carbon

OUR CLIMATE STATEMENT

We use the XRB* Climate Standard to report climate-related risks and opportunities

*Aotearoa New Zealand External Reporting Board. The Standard is based on the Task Force for Climate-related Financial Disclosures framework (TCFD). Australia may adopt this framework in 2024.

Governance

Our existing governance structures and management processes help us identify and manage our climate change risks effectively. Our in-house TCFD expert Martin Fryer reviews our risks and opportunities with others in our business annually and our Board reviews the recommendations that result.

Risk management

In 2022 we formally documented our processes for assessing climate-related risks and opportunities for our Australian and New Zealand businesses. See page 16.

Strategy

Our strategy stays the same. To adapt to our climate-related risks and opportunities we will continue to:

- develop and market new services, including helping our clients with their TCFD reporting
- build our skills, knowledge and expertise to support these services
- invest in our people, including their health and wellbeing.

Metrics and targets

Carbon emissions

We explain these in the section that follows (pages 17-19).

Transitional opportunities

Aim: To understand (potential) clients' needs for services that reduce carbon and disclose climate risks and opportunities.

Targets:

- Regular conversations with (potential) clients
- One workshop in 2023 to explain XRB reporting requirements

Aim: Build our expertise in assessing and disclosing climate risks and opportunities.

Target:

- Train 10 team members in 2023 (our Strategy, Communications and Creative teams)



Our climate-related risks and opportunities

	Opportunity or risk	Impact	Rating (baseline)
Opportunities			
Transitional	New markets for our services to reduce carbon	We increase our client base and revenues	High
	Opportunity to develop and market more carbon reduction services and new climate disclosure services as regulations change	We increase our services, client base and revenues	High
Risks			
Physical	Flooding due to more intense, persistent rainfall	Our business is disrupted. Impact on company and team property; team travel to office; team's physical and mental wellbeing. Clients' businesses are disrupted	Medium
	More heatwaves and warm spells	Our business is disrupted. Impact on team's mental and physical health; team travel to office. Clients' businesses are disrupted	Medium
	Low seasonal rainfall leads to dry conditions, increasing fire risk	Our business is disrupted. Impact on company and team property; team's physical and mental wellbeing. Clients' businesses are disrupted	Low



Our four climate scenarios

- 1. Baseline** (+1.1°C in 2022, based on observed data)
- 2. Orderly transition** (+1.6°C by 2050)
- 3. Disorderly transition** (+2.0°C by 2050)
- 4. Hothouse** (+2.5°C by 2050).

We report the baseline rating here. The other scenarios yield the same results for the opportunities and some higher results for the risks.¹

¹ The risks are respectively Medium/Low, Medium, Medium and High.





OUR CARBON EMISSIONS

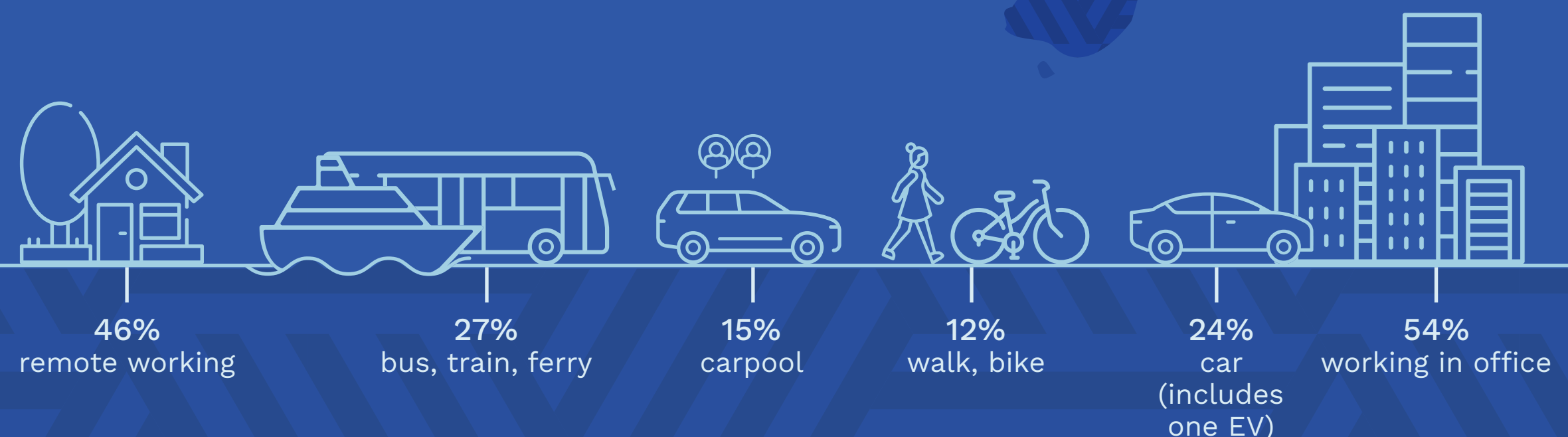
Carbon is our most important environmental impact.

Our carbon footprint covers our operations in Australia and Aotearoa New Zealand. Ekos will verify our emissions in 2023.

In 2022 we signed the New Zealand Climate Leaders Coalition’s (CLC’s) new Statement of Ambition. Together we promised to go further and faster to meet climate targets by 2025 – to mitigate emissions, adapt to climate risks, and transition justly to new ways of working. As a member of the CLC, we report our emissions publicly, on the following pages.

GETTING AROUND: how our team commutes to work in a typical week.

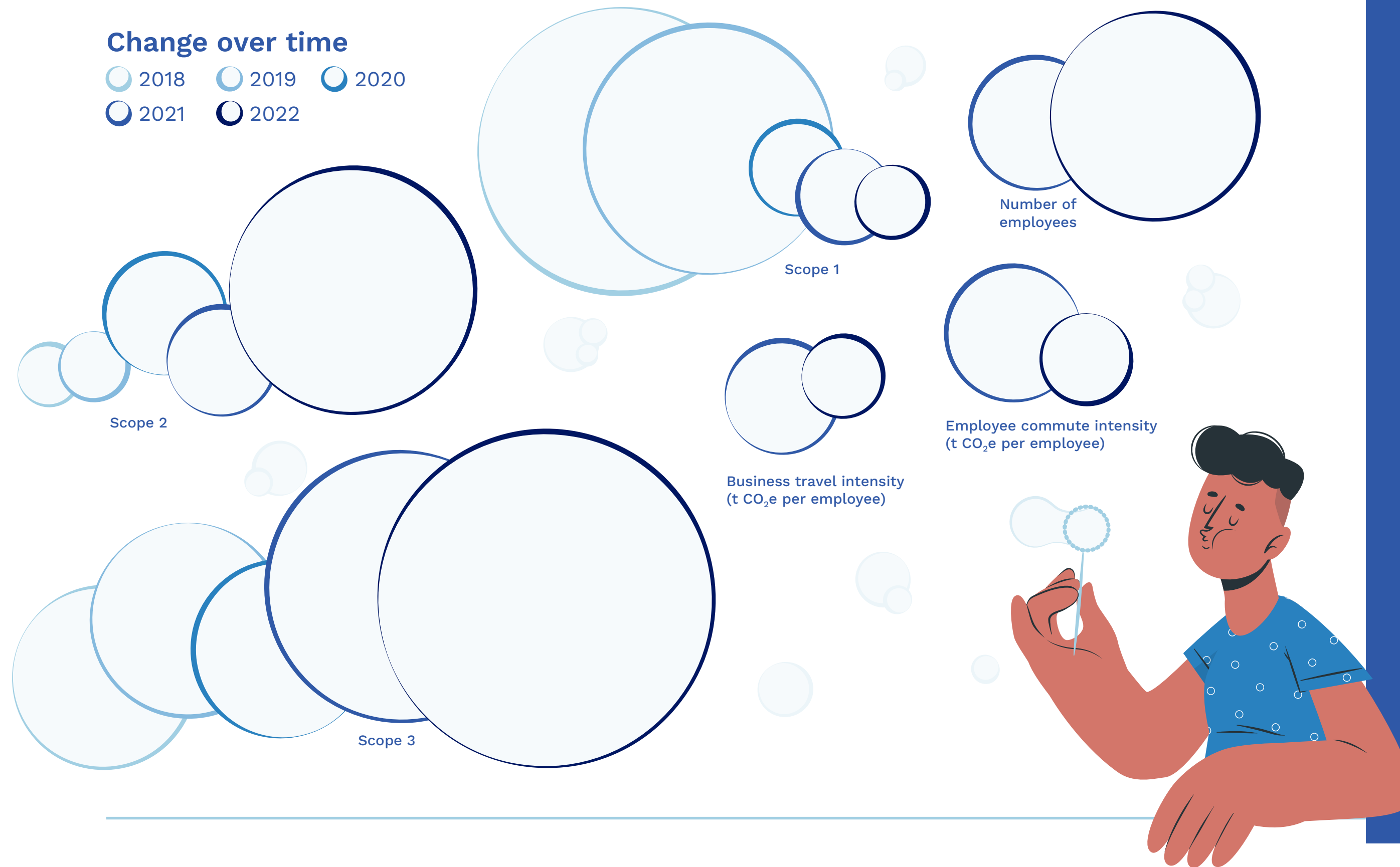
Some of us who commute use several modes of transport. Most of us work remotely for one or more days each week. ‘Remote working’ here means a team member works remotely 100% of the time.



Our Scope 1, 2 and 3 emissions

Our total emissions are growing as our business grows. As we use generic emissions factors, not emission factors specific to our actual suppliers, we are likely to be overstating our emissions. (Many of our suppliers are members of the CLC and have publicly committed to reducing their GHGs in line with science.)

Change over time



Our company emissions (t CO₂e)

Scope	2018	2019	2020	2021	2022	Share 2022	Change ¹ on 2021
Scope 1 (renewable) ²	3.6	3.1	1.2	1.2	0.9	0.6%	-22%
Scope 1 (non-biogenic)	0.3	0.3	0.1	0.1	0.1	0.1%	-5%
Total Scope 1	3.9	3.4	1.3	1.3	1.0	0.7%	-21%
Scope 2	0.5	0.5	0.9	0.8	1.9	1.2%	123%
Scope 3	83	88	80	125	151	98.1%	21%
Total³	87	92	83	127	154	100%	21%

Employee commuting and business travel




Emissions per employee fell

	2021	2022
Employees	32	50
Business travel intensity (t CO ₂ e per employee)	0.4	0.3
Employee commute intensity (t CO ₂ e per employee)	0.4	0.3

¹ Changes based on unrounded figures
² Emissions from natural sources like wood
³ Totals may not add up due to rounding



Our Scope 1, 2 and 3 emissions

	Scope 1 emissions (direct, including biogenic)	Scope 2 emissions (indirect)	Scope 3 emissions (value chain)
Main sources	 <p>The wood-burner in our Wellington office</p>	 <p>The energy we use to run our business</p>	 <p>The goods and services we buy (72% of our total footprint), our business travel, our employees' commuting</p>
Change 2021 to 2022	<p>These emissions fell 21%. Our office was better insulated and our woodburner more efficient.</p>	<p>These emissions rose 123%. Opening our physical Auckland office was the main reason for this growth. We also moved our EV charging from Scope 3 (business travel) to Scope 2.¹</p>	<p>These emissions rose 21%. We bought more goods and services as our Australian business grew. Employee commuting and business travel grew in absolute terms as our headcount increased and Covid-19 restrictions eased. However, these emissions per employee (our 'emissions intensity') fell.</p> <p>We classified our spend more accurately in 2022 and used slightly different emission factors.²</p>
Looking ahead (2023+)	<p>While these emissions make up a relatively small part of our carbon footprint (currently 0.7%), we will continue to seek ways to reduce them. This includes potentially replacing the gas stove in our Wellington office.</p>	<p>While these emissions make up a relatively small part of our carbon footprint (currently 1.2%), we will continue to seek ways to reduce them. This includes potentially installing solar power in our Wellington office.</p>	<p>We will continue to manage our business travel carefully. Meeting in person at times is important to build an engaged team, particularly when many team members work remotely. Some clients prefer to meet in person.</p>

¹ We are now treating on-road EV charging (i.e. charging during business travel) as Scope 2 not Scope 3. If we were running a company-owned petrol vehicle we would include its emissions in Scope 1 not Scope 3, so this is a consistent way to treat these travel emissions.
² We restated the emissions factors we used in 2021 to match.



We know we need to focus on Scope 3.

To address these emissions, we will continue to manage emissions from:

- our travel by minimising flights
- our employees' commutes by offering flexible working. If we open new physical offices, they will be on public transport routes.

We will also identify our biggest items of spending in Category 1 and work with relevant suppliers to:

- understand and use their actual emission factors
- help them set their own science-based targets to reduce their emissions.



Our approved Science Based Targets (SBTs)

The Science Based Targets initiative (SBTi) approved our SBTs in 2019. As we have fewer than 500 employees, we do not have to set a Scope 3 target. However, we set one because we know the importance of Scope 3 and the value of targets: what gets measured gets managed.

Target	Progress needed by 2022 (annual linear reduction)	Progress to end 2022
Scope 1 and 2: Reduce by 51% by 2030 from a 2018 base	21% reduction	✓ Met: 35% reduction
Scope 3: Reduce emissions from business travel and employee commuting by 38% by 2030 from a 2018 base	13% reduction	✓ Met: 35% reduction

Our Scope 1 and 2 target

We are ahead of our target. However, the 2030 target is challenging, as we have moved our EV charging from Scope 3 to Scope 2. (This change has reduced our overall emissions.)

Our Scope 3 target

We are ahead of our target. Covid-19 made us rethink the way we travel, and most of our domestic travel now avoids flying. Please see page 19 where we explain how we will continue to manage our Scope 3 emissions.



Offsetting the emissions we cannot avoid

We continued to offset the emissions from our business operations that we could not avoid, using high-quality Aotearoa New Zealand carbon offsets. Ekos' credits are independently accredited by [Plan Vivo](#) and follow international standards and practice. We do not offset our biogenic carbon emissions.





LOOKING AHEAD

In 2023 we are continuing to focus on four aspects of our business:

1

Developing and supporting our team, including bringing our team together for on-site Team Days

2

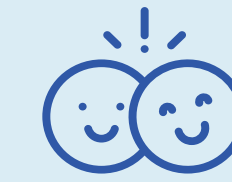
Improving our systems and processes

3

Delivering for our clients

4

Delivering strong commercial results



Thank you to everyone who helped our growing business have an impact in 2022. Special thanks to our talented, hard-working team, our valued clients, business partners and suppliers.

In the spirit of SDG 17,
partnerships for the goals:

we succeed together!



We're an independent sustainability firm with
offices in Australia and Aotearoa New Zealand.

meet@thinkstep-anz.com

www.thinkstep-anz.com

thinkstep Pty Ltd (Australia) | +61 2 8007 3330

Registered office: 25 Jubilee Street, South Perth, WA 6151, Australia
Sydney | Canberra | Brisbane | Adelaide | Perth | Melbourne

thinkstep Ltd (New Zealand) | +64 4 889 2520

Registered office: 11 Rawhiti Road, Pukerua Bay 5026, Wellington, New Zealand
Wellington | Auckland | Hamilton | Christchurch | Rotorua | Taupō

Illustrations thanks to @storyset via freepik.com