

# Growth

Succeed  
sustainably

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## ABOUT THIS REPORT

*Welcome to our first integrated report. This report tells the story of our growth between 1 January 2020 and 31 December 2021.*

Since our last sustainability report in 2019 we've grown quickly. At the end of 2021 we had 38 team members in 10 locations across Australia, Aotearoa New Zealand and the United Kingdom. (At the time of writing – July 2022 – we have 44.) We've expanded our suite of services and our client base significantly.

**We're proud to share the impact we've had.**



### Why Integrated Reporting?

We've chosen the Integrated Reporting Framework because it takes a holistic approach to reporting on value. With its interwoven six capitals and strong focus on outcomes, the Framework helps us to show that sustainability is about healthy, cohesive systems.

It also helps us talk about what value means for our business – how our people, relationships, financial assets, knowledge, processes and environmental resources have come together to create impact in 2020 and 2021 – and where the future opportunities and challenges lie.



## WHO WE ARE

*We are an independent,  
locally-owned business with  
registered offices in Australia  
and Aotearoa New Zealand.*

Our company is run by Barbara and Matthias Nebel and has a board of directors, including an independent director (and chair), Simon Whitehouse. We are a team of more than 40 people on a mission to enable organisations to succeed sustainably. Our experts are based in ten cities across Aotearoa New Zealand, Australia and the United Kingdom.





# From Barbara and Matthias

We're both optimistic storytellers with a strong desire to do 'more good' rather than just 'less bad'. This 'Growth' report recaps the best two years thinkstep-anz has experienced in our 16 years in business.

We've chosen to tell the story of our last two years in an Integrated Report to provide a balanced view of highlights and challenges, risks and opportunities.

## Keeping sustainability front-of-mind during Covid-19

Yes, we had some sleepless nights in early 2020! We were worried what Covid-19 could mean for our mission – enabling organisations to succeed sustainability – and our business. But we stuck to our strategy of openness and called our team together on the first day of Aotearoa New Zealand's lockdown to agree how to support one another and avoid possible pay cuts.

We knew staying connected was important. We'd established our webinars many years before, so we offered them more frequently.

Covid gave us a push to collaborate more too. In Aotearoa New Zealand our webinars with Ekos and a co-authored article with Becky Lloyd, CEO of Toitū, moved relationships from competition to collaboration.

Despite the challenges, we consider ourselves lucky. We're not running a hospitality business or relying on tourists like many of our clients.

## Two years of growth

We've welcomed 19 talented team members (but we're still to meet them all face-to-face). We set up a team in Australia led by Nicole Sullivan and opened an Auckland office (signing the lease one day before lockdown). We now have 44 experts in ten locations across Australia and Aotearoa New Zealand.

We quickly outgrew our structures and systems. Developing them has been a focus for 2020/2021.



*Sustainability is a poster child for SDG 17. We succeed together. Everyone benefits when we help our clients' suppliers and customers set a sustainability strategy, reduce their carbon emissions and produce (or source) circular economy products.*





*None of this would have been possible without our amazing, dedicated team on both sides of the Tasman. You pulled together and stepped up to take on new responsibilities and support one another and our clients.*

We expanded some services and introduced others. Jim Goddin joined us to head our Circular Economy service. (We can't wait for him to arrive Down Under!) We grew our Strategy service, launched our Communications/Creative offer and made 'storytelling' central to what we do.

### Highlights from the past two years

We're encouraged to see governments and businesses double-down on sustainability. Clients are raising their ambitions and clearly see the business value of sustainability. They're looking 'beyond carbon' to change how they operate and do 'more good'. We're seeing growing interest in circular economy to redesign products, retain business value and reduce risk (not just recycle!)

Our work had an impact. In Australia, we helped Eagle Lighting gain Cradle to Cradle® Certification. In Aotearoa New Zealand, our carbon footprint reports on the built environment influenced the Ministry of Business, Innovation and Employment's climate change strategy.

We were delighted to win the Aotearoa New Zealand Award for Best Plain English Technical Communicator, proving that 169 pages of technical Life Cycle Assessment (LCA) report can be translated into a simple four-page 'Nutshell' without compromising rigour or credibility.

### Looking ahead

We're excited! You'll see us expand our offer to better link our services (systems-thinking!) and support our clients. We'll also help clients increase their impact by focusing on value chains. Sustainability is a poster child for SDG 17. We succeed together. Everyone benefits when we help our clients' suppliers and customers set a sustainability strategy, reduce their carbon emissions and produce (or source) circular economy products.

### Thank you

None of this would have been possible without our amazing, dedicated team on both sides of the Tasman. You pulled together and stepped up to take on new responsibilities and support one another and our clients. We really appreciate this. It's fun working with you.

Thank you, too, to our clients. You've played a huge part in our success.

The coming years promise to be even better. As Matthias often says: 'good is not good enough!'

**Barbara Nebel**  
CEO

**Matthias Nebel**  
Director Strategy,  
IT and Communication





*We've made a difference by continuing to advocate changes for good, by working with clients across many industries to support changes in their organisations, and by making changes in our own business and our lives outside work.*

# Making changes for good

While the last couple of years have been tough for many, and challenges continue for some, I'm seeing encouraging signs that we're emerging into a world that's determined to make things better.

Political and community actions in Australia and Aotearoa New Zealand, in Europe and North America, give me a growing sense that we can solve global problems by working together. We have in the past, we are now, and we'll continue to do this.

At thinkstep-anz we've played a small but important part. We've made a difference by continuing to advocate changes for good, by working with clients across many industries to support changes in their organisations, and by making changes in our own business and our lives outside work. You'll learn more in this report.

I'm particularly proud of everything we do as 'community educators', helping people understand the issues the world's facing and how they can make a difference.

## Managing for growth through a challenging time

Leading a business through this time has been challenging. We've had to keep an eye firmly on risks and finances while

we continue to seek new opportunities. Our Board has looked carefully at our policies and processes, and at how we're structured and governed. The result: a lot of work across the business, explained in this report, to bring about the changes we need to support our growth.

## Listening to our clients

One of my roles I enjoy most is talking with clients. In the past two years we've improved our structured feedback process to make sure we listen to what our clients want to tell us – good and bad. Their honest feedback is invaluable to help us improve our business, better meet their needs and make changes for good. Thank you to everyone I've spoken with.

I've particularly enjoyed hearing clients' surprise at how well a relatively small organisation like ours delivers what we promise. As one client said, 'Lots of consultants say they can work remotely and still give us great engagement and interactions. You actually do it!'

## Thank you

Our employees have been extraordinary in an environment that's changed constantly. Thank you for continuing to produce exceptional work for our clients.

Thank you, too, to our clients. We value and enjoy our partnerships. Thanks for contributing to our success through some challenging years for us all. We've enjoyed contributing to your success too and look forward to continuing to do so.

## Looking ahead

I'm looking forward with hope and optimism. Together let's continue to make changes for good.

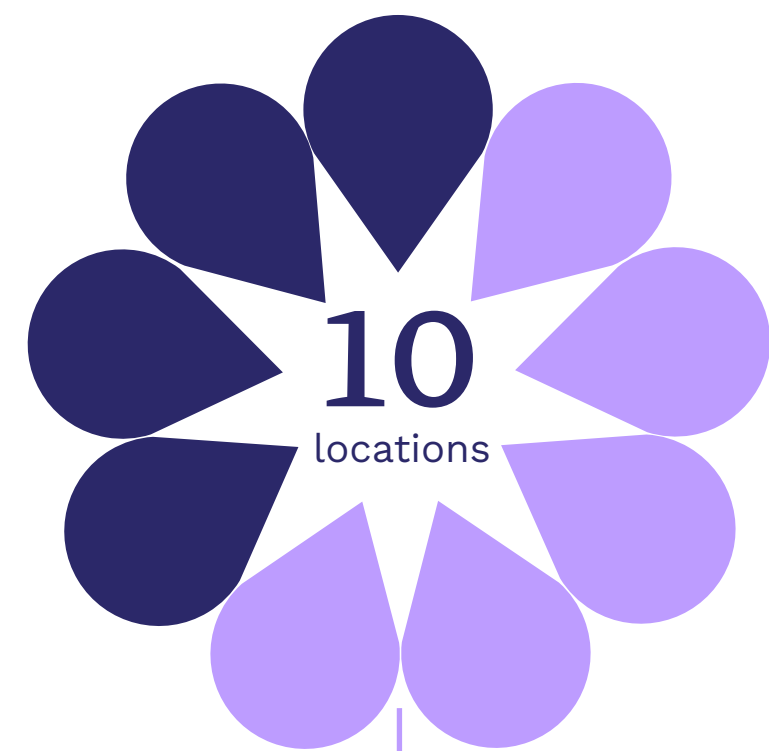
**Simon Whitehouse**  
Independent Director



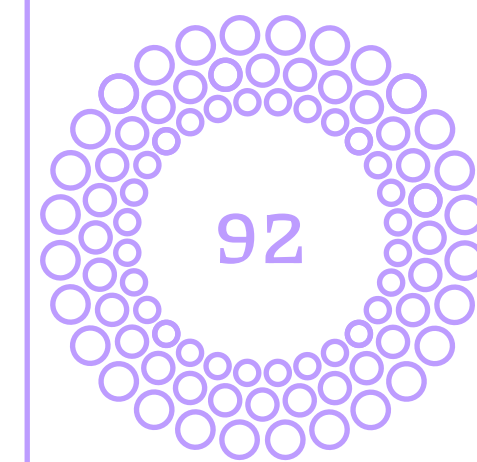
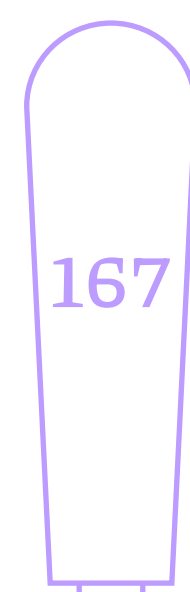
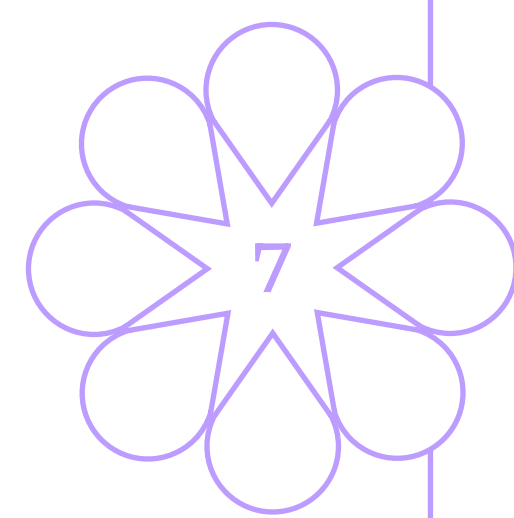


# The last two years at a glance

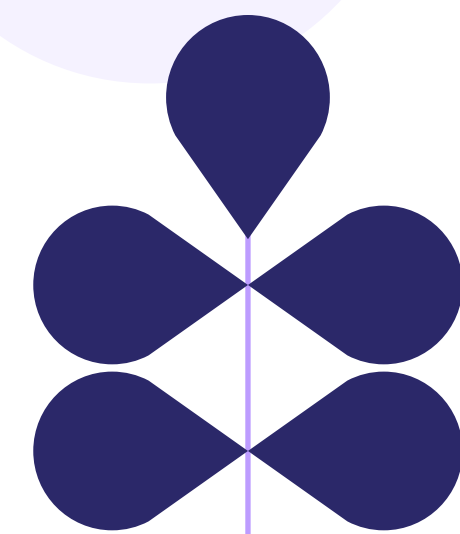
2021



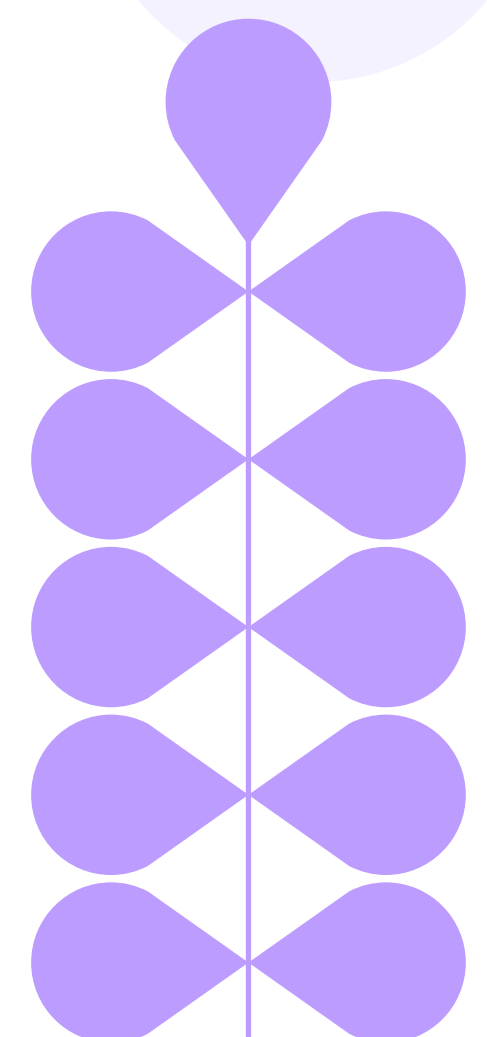
2020



55% revenue growth year on year. 56% from new clients



104% bookings growth year on year





## OUR STRATEGIC FRAMEWORK

*We take the advice we give our clients: focus on what matters to your business and where you can have greatest impact.*

We use two tools to confirm our focus: the United Nations' Sustainable Development Goals (SDGs) and materiality assessment. In the past two years we have revisited them both to review our business.





# Sustainable Development Goals: the global picture

The Sustainable Development Goals (SDGs) aim to end poverty, protect the planet, promote prosperity, and ensure peace for all. All 193 of the UN's member states have adopted the goals.

We continued to focus on nine of the 17 SDGs. Nine goals are more than we recommend to our clients. However, as a services business, we see it as our mission to contribute widely. These goals continue to be the most relevant to our business.

In the past two years we have contributed to all these goals. Throughout this report you'll see the goals to which we have contributed the most.



## SDG 3: Good Health and Well-being

Promoting healthy outcomes through our team's physical and mental wellbeing and our work with clients



## SDG 4: Quality Education

Growing industry and our team's skills and knowledge through webinars and workshops and by supporting universities



## SDG 8: Decent Work and Economic Growth

Translating sustainability into tangible business value to help businesses and their people thrive



## SDG 9: Industry, Innovation and Infrastructure

Supporting sustainable innovation by helping industries identify 'hotspots' and providing reliable data



## SDG 10: Reduced Inequalities

Offering our diverse team meaningful, stable work



## SDG 11: Sustainable Cities and Communities

Contributing to a low-impact, energy-efficient built environment through our EPDs\*, LCAs\*\* and memberships



## SDG 12: Responsible Consumption and Production

Encouraging circular economy thinking and regenerative practices across many sectors through our LCA\*\* and circular economy work



## SDG 13: Climate Action

Curbing our emissions and working with organisations to measure and reduce their footprints too



## SDG 17: Partnership for the Goals

Collaborating across industries, fostering partnerships, and playing an active role in the sustainability community

\*Environmental Product Declaration (EPD)

\*\*Life Cycle Assessment (LCA)



# Materiality: the local picture

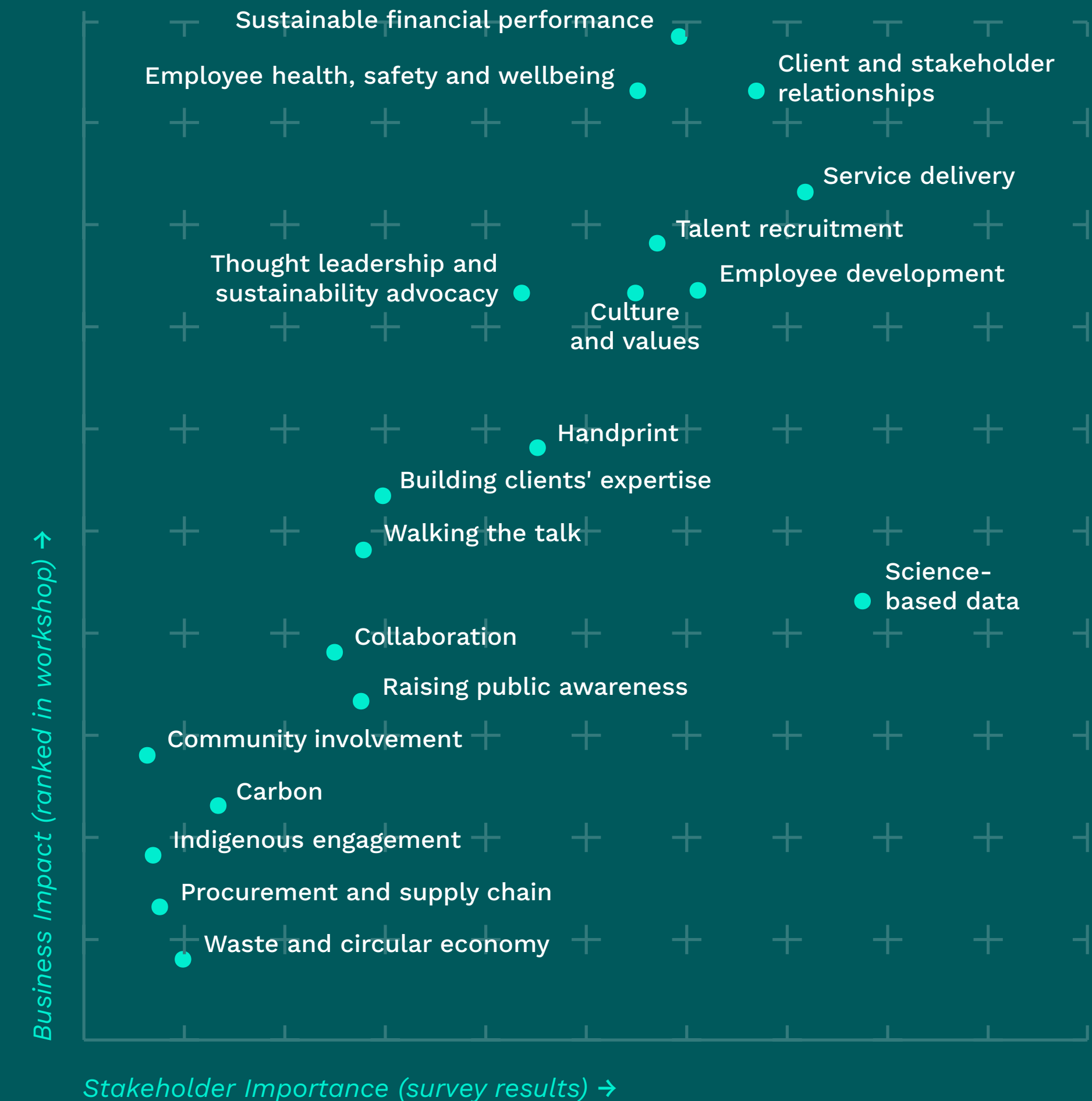
As we completed our last materiality assessment in 2018, it was time to review it.

## What matters to our external and internal stakeholders

To canvas external feedback, we interviewed clients and industry groups in Australia and Aotearoa New Zealand, sent an online rating survey and drew on information from interviews completed at the end of past projects. Our thinkstep-anz team answered the online survey too.

Our materiality matrix shows the 19 topics that our stakeholders believe matter to our business. All the topics are important. Some are more important than others. The horizontal axis shows how stakeholders rated the topics.

## thinkstep-anz's 2022 Materiality Matrix







*Results from our stakeholders and Leadership Team show a strong correlation. This means that both groups share these priorities.*

### What matters to our business

Our extended Leadership Team then ranked these topics based on how important they are to our business. We used these criteria: importance to client experience, sustainability impact, financial profitability and reputation, and urgency. The matrix’s vertical axis shows our ranking.

Results from our stakeholders and Leadership Team show a strong correlation. This means that both groups share these priorities.

The matrix highlights our priorities for the coming years. We will continue to:

- recruit and develop capable team members (and retain them!)
- create a work environment with a strong culture and values that supports our team’s health, safety and wellbeing
- build strong relationships with clients and other stakeholders
- provide excellent client service
- continue to develop and share our expertise (thought leadership) and advocate for sustainability.

### Advancing our work on indigenous engagement

While indigenous engagement sits behind some topics on both the stakeholder rating and business ranking, it matters to us all. It is on the matrix because our stakeholders consider it important. Our business has already prioritised work in this area in our planning for 2022. Read more on [page 38](#).

### Continuing to base our work on science-based data

Our stakeholders rated science-based data as their most important topic. We expected this: we know clients value our science-based approach, and many of our team are scientists.

Our Leadership Team confirmed that offering services backed by science-based data is important to our business. It will continue to be fundamental to our work. However, as we considered this topic against others such as service delivery and sustainable financial performance, we are unsurprised it ranked a little lower.

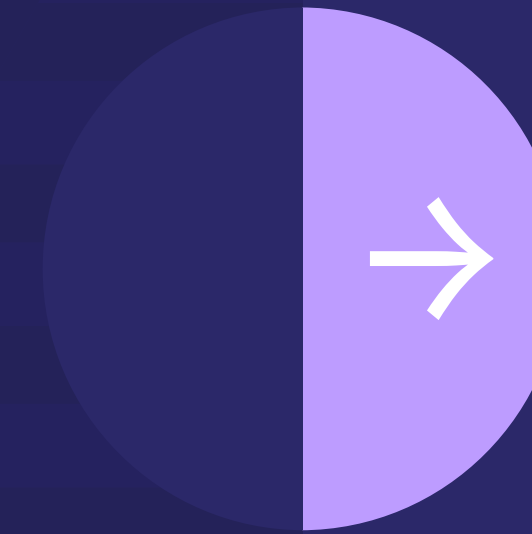


## HOW WE CREATE VALUE

# *The Integrated Reporting Framework takes a holistic approach to reporting on value.*

The Integrated Reporting Framework requires us to report on our capitals. 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 shown on the right.



Our people



Our knowledge  
and systems



Our finances



Our partnerships



Our natural world





# Creating value against our capitals



## Our people

### Our team's skills, knowledge and experience

- We employ talented team members
- We continue to develop their skills and knowledge
- We create a safe, productive, collegial work environment



## Our knowledge and systems

### Our tools, documentation, data, processes and systems

- We create methodologies and tools to help our clients
- We translate complex sustainability findings into business information that clients can use to make decisions
- We keep abreast of the latest innovations in sustainability
- We produce and share resources and studies that challenge current thinking
- We create documentation, policies and processes to manage our business
- We use and adapt systems to run our business



## Our finances

### Generating and using financial resources

- We deliver services and sell software to our clients, and receive payment in return
- We pay our staff salaries and performance bonuses. (We paid bonuses in both years. In 2021 we paid more than agreed in the plan.)
- We pay taxes
- We pay memberships and sponsor organisations financially
- We invest time in working groups and reports
- We invest time for free and discount our services to support start-ups



## Our relationships

### With clients, partners and the sustainability community

- We build and maintain strong relationships with our clients, partners and the wider sustainability community
- We engage in working groups and boards
- We connect clients and others with the tools, knowledge and networks they need to create value too






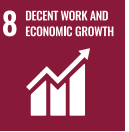





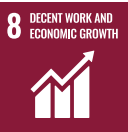
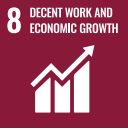
## Our natural world

### Access to natural resources

- Our work supports clients to preserve natural resources
- We destroy natural capital when we use natural resources (e.g. energy, materials, IT equipment)












# Holding ourselves accountable

Capital	Our targets for 2020/2021 (* also applies to 22/23)	Output	Outcome and commentary	SDG
<b>All capitals</b>	Increase our B Corp score above 96.8 (2018)	Result not yet available	→ Credibility	
 <b>Our people</b>	Put new 'Heads of' structure in place	Achieved	→ Able to manage our business effectively as we grow → Roles filled from internal promotions and recruitment	
	Recruit 'Head of' role for Australia	Achieved	→ Able to manage our business effectively as we grow → Reduced emissions from trans-Tasman travel	 
	Provide leadership training for senior team: one per year*	Achieved		
	Increase number of certified LCA practitioners by at least one each year*	Achieved	→ Building our team's skills → <a href="#">Read more on page 35</a>	 
	Provide other training opportunities for at least two staff each year*	Achieved		
	Provide formal governance training for at least one director*	Not achieved	→ Building our team's skills → We have joined the New Zealand Institute of Directors. Covid-19 meant we have postponed this training until 2022.	
 <b>Our finances</b>	Increase our revenue 20% year on year*	2020: 16% 2021: 53%	→ Funds available to expand our business → Covid-19 limited growth in 2020	
	Launch new services: Taskforce for Climate-related Financial Disclosures (TCFD) strategy, responsible procurement, Green Finance, reporting and communications	Achieved: defined, marketed, staff trained, resources and methodologies in place Client projects completed in all services	→ Able to offer our clients a wide range of services and expand our team's skills and knowledge	
	Invest 5% of revenue in 'give back' projects and thought leadership*	Achieved	→ Able to support others' sustainability efforts	All our SDGs





Capital	Our targets for 2020/2021 (* also applies to 22/23)	Output	Outcome and commentary	SDG
 Our knowledge and systems	Run 20 free webinars/workshops per year*	Partially achieved 2020: 17 webinars, 1,586 participants 2021: 17 webinars, 1,585 participants	→ Building our team’s skills → Growing our presence and networks in important markets	All our SDGs
	Produce one thought leadership report per year*	2020: Not achieved Not funded due to Covid-19 2021: Achieved: <a href="#">SDG report</a>		
	Be independently recognised as leaders in sustainability communications	Achieved	→ Credibility with clients → Opportunity to increase our impact → Best Plain English Technical Communicator (New Zealand Plain English Awards 2021)	All our SDGs
 Our relationships	Expand partnerships to support new services: join Planet Ark and Planetary Accounting Network	Achieved	→ Growing our presence and networks in important markets	
	Develop global partnerships by renewing partnership agreement with EPEA	Achieved	→ Credibility and ability to offer Cradle to Cradle® service	 
 Our natural world	Stay on track to meet our SBTi target*	Achieved. We will revise the baseline in 2024.	→ Playing our part to achieve Paris goal of keeping global warming below 1.5°C	
	Continue to be a zero-carbon business*	Achieved	→ Playing our part to achieve Paris goal of keeping global warming below 1.5°C	
	Engage at least one supplier to start measuring their carbon footprint*	Not achieved but underway	→ Playing our part to achieve Paris goal of keeping global warming below 1.5°C → Covid-19 interrupted this work. We have talked with our core service providers and will resume this work in 2022.	



# Our certifications and commitments

A third-party certification shows that a recognised, independent organisation has reviewed what we do we do and confirms that we have met a standard. Our commitments are pledges to meet targets or take action towards a national or global goal. These are our current certifications and commitments.

## Aotearoa New Zealand Climate Leaders Coalition (CLC, since 2018)

We commit to measuring and reporting publicly on our emissions, setting and reporting publicly on a reduction target and working with our suppliers to reduce their emissions. This agreement covers our business in all the countries we operate in.

## Ekos Zero Carbon Business (since 2019)

We offset 100% of the carbon emissions (Australia and Aotearoa New Zealand) that we are unable to reduce. We choose quality offsets through Ekos. Our offsets support the Rarakau Rainforest Conservation Project. They are certified to ISO14064-2 and Plan Vivo carbon standards.

## B Corp (since 2018)

We meet the highest standards of sustainability, transparency and accountability. We are currently renewing our certification. B Corp expects members to continue to improve their performance.

## UN Global Compact (UNGC, since 2018)

We commit that every aspect of our business, including our strategies, policies and procedures, is fully consistent with the UNGC's ten principles.

## We Mean Business Coalition (since 2020)

We commit that we are on a pathway to meet the 1.5°C target and become net-zero by 2050 at the latest.

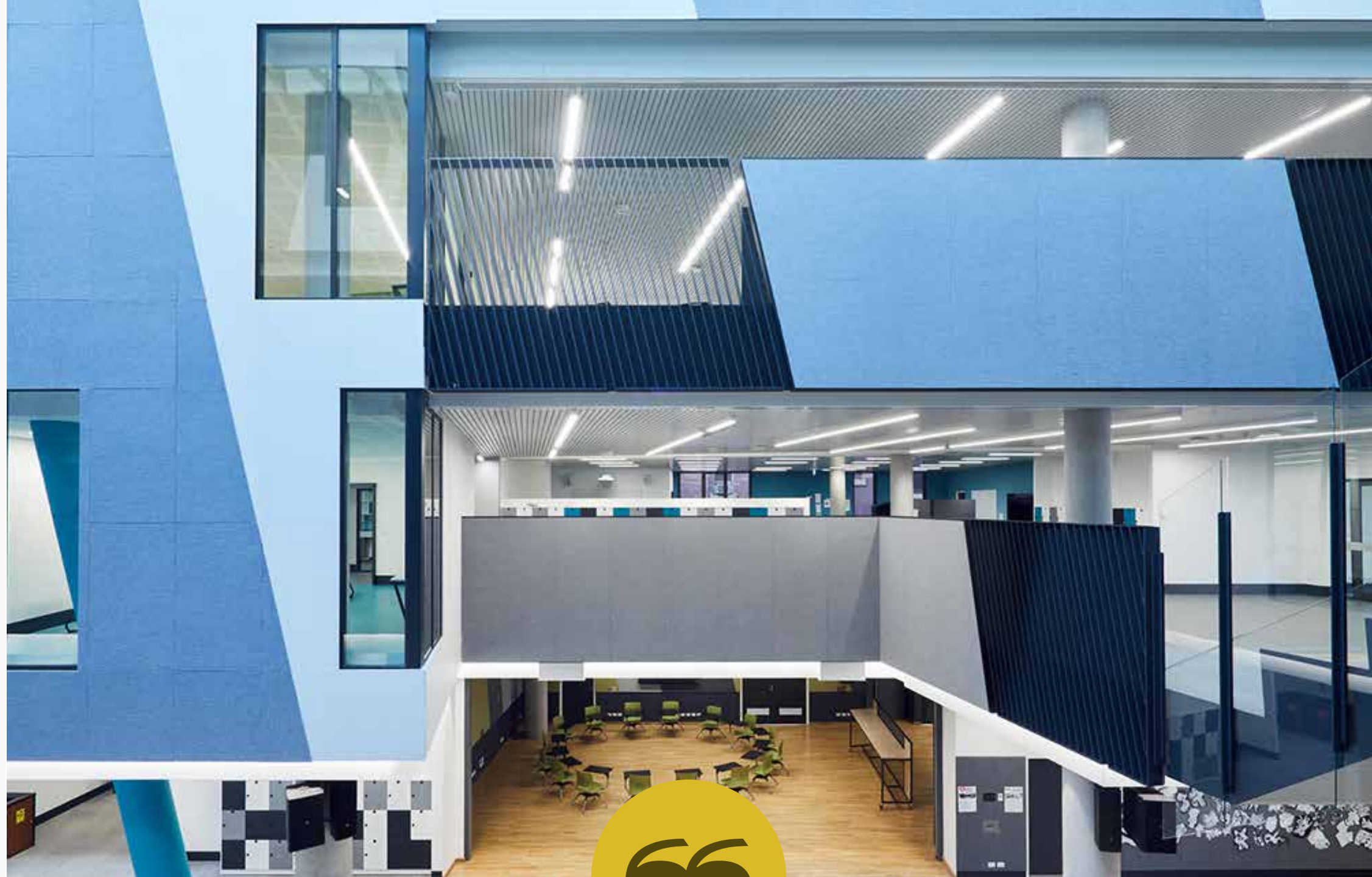
## SBTi (since 2019)

We have an approved near-term target (1.5°C). This means that the Science Based Targets initiative considers that we have a robust, realistic science-based plan to reduce our greenhouse gas emissions.

We commit to reducing absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 51% by 2030 from a 2018 base year. We also commit to reducing absolute Scope 3 emissions from business travel and employee commuting by 38% within the same time frame. We are working towards a net-zero target.







*‘Our product development process is part of the ISO9001 Quality System. The key objective of all ISO systems is continuous improvement. What better way to improve our business and processes than to integrate the C2C philosophy throughout our product development process? The C2C certification has not only allowed us to create a circular product, but also to transform our business to be truly sustainable and create a circularity culture.’*

**PETER PRODROMOS**  
Eagle Lighting Head of Operations

## CASE STUDY: EAGLE LIGHTING

# Lighting the way for circularity

The road to a more sustainable business is made up of many steps. Eagle Lighting, one of Australasia’s biggest lighting solutions companies, has picked up the pace on their sustainability programme to demonstrate their sustainability leadership to suppliers and customers. thinkstep-anz supported the business to achieve a series of milestones.

### Responsible Procurement

We worked with Eagle Lighting to find out which of the 17 UN Sustainable Development Goals (SDGs) best relate to the company’s value chain, areas of influence, business operations and the needs and expectations of their stakeholders.

Using five priority SDGs as a foundation, thinkstep-anz and Eagle Lighting

developed a responsible procurement framework for action. The framework ensures values are put into action across the company’s whole supply chain and encourages improvement where needed. It is delivered through a suite of new tools and processes including a supplier code of conduct that sets out clearly what Eagle Lighting expects of its suppliers.





## Cradle to Cradle® Certification

To achieve independent verification that its new lighting technologies support long-term sustainability, Eagle Lighting asked thinkstep-anz to help it gain Cradle to Cradle Certification® (C2C) for one of its products.

Cradle to Cradle® is an advanced standard for products that are safe, circular and responsibly made. It sets globally recognised, science-based requirements for material health, material reutilisation, renewable energy and climate, water stewardship and social fairness.

Educo Vitality is the first luminaire in the Southern Hemisphere to gain Cradle to Cradle Certification®.

The C2C certification will help Eagle Lighting to create business value. The lighting manufacturer has already noticed that many large businesses they work with want to partner with companies that ‘walk the talk’. The business is now planning to have more products C2C-certified.



**Want to know more? Read the case study on our website**



## How this project created value



### Our finances

We guided Eagle Lighting on several projects and are set to continue this relationship.



### Our partnerships

Working with an enthusiastic client enabled us to show we can provide new services.



### Our knowledge and systems

We created a new service with this C2C certification and will share our expertise with clients.



### Our natural world

We enabled Eagle Lighting to improve their social and environmental impacts.



## OUTLOOK, OPPORTUNITIES, CHALLENGES & RISKS

*Since our last report, demand for sustainability services has increased substantially. This brings opportunities to increase our impact in existing sectors and new ones too. It also introduces some risks.*

We work with small and large clients in both Australia and Aotearoa New Zealand across all sectors. Clients span global businesses like ABB and Zespri, member organisations like the Australian Steel Institute and Aotearoa New Zealand start-ups like Zincovery. Together we can make a tangible difference and have lasting impact. We're excited to be at the forefront of the shift in business thinking.





# The outlook

These are some trends and changes we expect to see. They offer opportunities for our business if we manage them well.

## More awareness of the business benefits of sustainability

Businesses will continue to make tangible changes to be better businesses. They will increasingly recognise the benefits of operating sustainably and the value this creates. This value includes opportunities to secure market share and preferred supplier agreements, to attract and retain staff, to reduce costs and risks, and to gain an advantage over competitors.

## A broader range of sustainability activity

Measuring carbon emissions and other impacts over the full life cycle of a product is becoming more common and we expect this trend to continue.

We also expect organisations to broaden their sustainability activities to increase their social and environmental impacts and gain greater business benefits.

As organisations manage their carbon footprints, they are likely to address their Scope 3 emissions and set science-based targets too.

In product sustainability, we anticipate more businesses will implement circular economy strategies and undertake Life Cycle Assessment (LCA) studies. We also expect increased interest in sustainability strategy in general, in estimating the financial risks and opportunities related to Climate Change (TCFD), and in sustainability reporting and credible, plain English communication.



*In construction, we think embodied carbon will move from fringe to mainstream in the built environment. The responsible product frameworks included in infrastructure and building certification systems will encourage business to invest in EPDs and Cradle to Cradle Certification®.*





### More transparency and accountability

Consumers and investors increasingly want to see businesses do the right thing. They are looking beyond labels like 'green', 'eco' and 'natural' and seeking proof. We expect to see regulators on both sides of the Tasman coming down harder on 'greenwash' and businesses responding by asking for data to back up their claims.

We foresee more companies turning to voluntary sustainability reporting and for reports to include measurable goals and progress. More organisations will recognise that climate change will affect their operations and will disclose the risks and opportunities that result.

Certifications including B Corp and Cradle to Cradle® will become more popular. These certifications can add business value by building brand recognition and social licence to operate.

### More sustainability conversations

We expect organisations to talk more widely about sustainability, with stakeholders like customers and suppliers, and in the media too. For many people, sustainability is still something of a 'dark art', made unnecessarily complex by impenetrable language and concepts. We hope this will change as sustainability becomes more

mainstream. We expect to see 'plain English' used more widely to promote understanding and encourage action.

### Greater national and global cohesion

Due to complex supply chains, we anticipate that more companies and industries will link their plans to regional, state, national and global goals, including the SDGs.

### Stronger partnerships

We believe (and hope!) that organisations will increasingly value partnerships. Working together means faster progress towards our common goals. For example, with interconnected global supply chains, a company tackling its Scope 1 and 2 emissions reduces another's Scope 3 emissions. Similarly, working with its suppliers and customers will help a business gain Cradle to Cradle Certification® for its products.



[Watch our team leads' predictions for sustainability in 2022](#)

Certified



Corporation™



*Consumers and investors want to see businesses do the right thing. They are looking beyond labels like 'green', 'eco' and 'natural' and seeking proof.*



*As we move from a small team to a medium-sized business, we need to ensure we have the structures, systems, processes and financial resources in place to support our growth.*

# Challenges and risks

While we predict that the need for ‘data-based’ sustainability will continue to grow, increased demand could bring some challenges and risks for our business.

## Recruiting and retaining talented team members

Finding capable people to fill specialised roles in an emerging sector is likely to continue to be challenging in both Aotearoa New Zealand and Australia. Life Cycle Assessment (LCA) is one of the areas where it is particularly difficult to find experienced staff. Although there are now university courses in LCA, candidates with industry experience and knowledge of LCA software are thin on the ground.

Several factors are exacerbating the issue. With borders opening after Covid-19 lockdowns, skilled people are moving overseas. In addition, growing interest in sustainability means industries are building their own skilled teams. While we are excited to see this, it increases competition for staff.

We are actively recruiting local and international specialists. Gaining visas for international staff is challenging. The Australian government has included ‘circular economy’ on their list of skills shortages, but this is not yet the case in Aotearoa New Zealand.

We are also investing considerable time and resources in training our people.

We are encouraged that many people are choosing sustainability as a viable career option.

## Managing across ten locations

Running a business across many locations, including team members’ home offices, makes building a cohesive team challenging at times. To manage these challenges, we use Microsoft Teams actively. We have introduced regular ‘all team’ meetings to keep our team abreast of the latest news and we are setting up central systems and processes. Daily team quizzes, provided by Aotearoa New Zealand media outlet Stuff, offer opportunities for trans-Tasman collaboration and banter.

## Developing a solid base for growth

We are moving from a small team to a medium-sized business. We need to ensure we have the structures, systems, processes and financial resources in place to support our growth.





## Balancing our growth

As a B Corp, we have a duty to do things right. We need to balance our growth with our environmental and social obligations to our team, our clients, our suppliers and the wider community.

## Managing the impacts of Covid-19

Covid-19 has affected our business, as it has most businesses. It continues to create uncertainty for businesses, people and communities. In 2022 we expect our staff may need to take more sick leave than they would in a 'non-Covid' year. We also expect Covid-19 to continue to affect our clients' businesses.

## Protecting and strengthening our market position

As the sustainability sector matures, the number of different offers and players is increasing. This makes the market confusing and hard for clients to navigate.

To stay top-of-mind with clients, we need to continue to keep up to date with the latest research and methods, build new relationships and strengthen existing ones. We need to further increase our reputation as regional experts with global connections.

We are also seeing the market consolidate. Global players like the 'Big Four' management consultancies are becoming full-service providers and offering sustainability services and software.

We are constantly balancing salary expectations, supply chain inflation and client fees.

## Managing increasing automation of sustainability services

The sector is becoming automated. Environmental, Social and Governance (ESG) tools and data are being embedded in product, supply chain and accounting software. For example, accounting software packages now collect data across supply chains and calculate carbon footprints.

Software can make it faster and easier to collect data. Our opportunity is to add value by interpreting and explaining this data, communicating opportunities for change and working with businesses to help them act on these opportunities.

## Managing the impacts of climate change on our business

We are seeing the impacts of climate change and need to manage them carefully. We are determined to reduce our carbon footprint and travel less. At times, this can be challenging. Clients, particularly those we have not worked with before, often ask to meet us in person. We need to balance these requests, which often lead to new work, with the need to reduce our carbon footprint.



*As the sustainability sector matures, the number of different offers and players is increasing. This makes the market confusing and hard for clients to navigate.*



# How we're managing opportunities, challenges and risks



## Our people

- Continuing to develop our knowledge and skills
- Recruiting nationally and internationally
- Creating plans to help our staff develop and build their careers
- Increasing training opportunities for our team
- Understanding our people's skills and personalities to best manage them and shape their roles around them
- Using collaborative tools including Microsoft Teams and Miro boards
- Boosting our business support team (human resources, finance and administration)
- Redesigning our meeting structure and employee communication
- Ensuring back-up when a team member needs support or is on leave (including for Covid-19)



## Our finances

- Introducing differentiated rates for our projects, based on the skills and seniority of our team



## Our knowledge and systems

- Prioritising what we do (based on our materiality matrix)
- Continuing to develop our services
- Regularly reviewing all decisions against our certifications (e.g. B Corp) to ensure we continue to comply
- Using our formal quality assurance process
- Continuing to put in place systems, processes, policies and documentation to save time and ensure consistency
- Making best use of Zoho (our project management system) and project management processes to track time and projects and make decisions



## Our partnerships

- Continuing to build and contribute to our partnerships
- Continuing to share our knowledge and skills



## Our natural world

- Managing our climate risks
- Managing our carbon emissions
- Reducing the resources we use
- Minimising our waste





# Our governance

With growth come opportunities and challenges. As we’ve grown over the past two years, we have bolstered our governance, strengthening relationships between our management, Board and other stakeholders. We have introduced more structure, including targets, KPIs, policies and processes. Retaining the collegial team culture that our employees enjoy and that benefits our clients has been a focus too.

**Our Board:** Our Board continues to meet monthly to discuss business development, financials, strategic decisions and policies. We review and discuss full financial reports every quarter.

**Our management structure:** We have created new, senior roles to manage our growing client base and team. These roles include leaders of service topics. We now have Heads of Strategy and Impact (for both Australia and Aotearoa New Zealand). We also have Heads of Life Cycle Strategies, Carbon, Circular Economy, Communications and Creative, and a Business Manager.

**Our processes:** We have developed common processes and resources to support our service delivery, quality assurance, business development, safety, recruitment and communications functions. This will continue to be a focus in the year ahead.

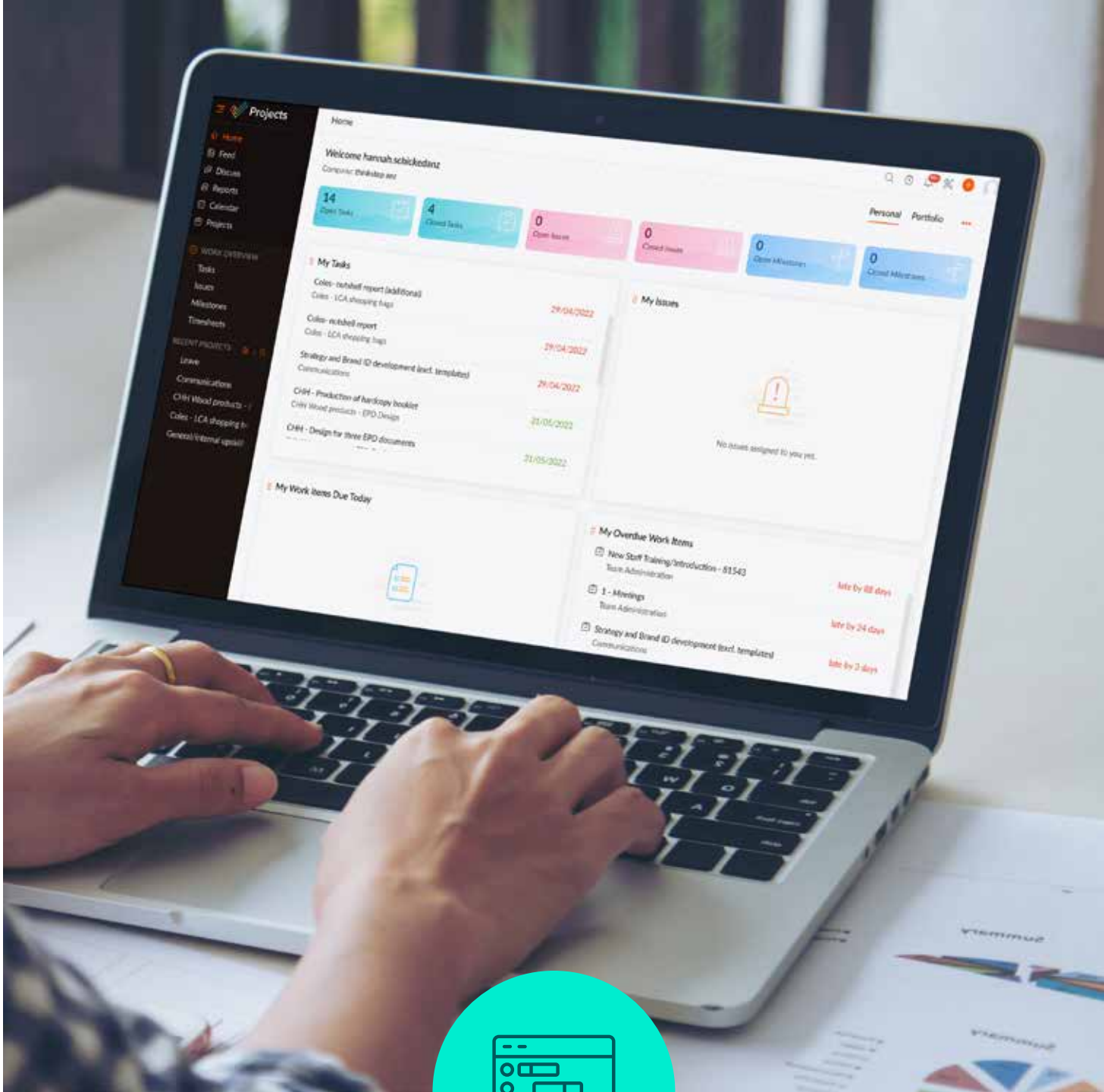
**Our systems:** In 2020 we successfully upgraded to our new integrated Project Management System, Zoho Projects. It ‘talks with’ our Customer

Relationship Management system (CRM). We use these systems to manage our client relationships, projects, billing and internal reporting.

**Our policies:** We have updated our Health and Safety Policy and created a Covid-19 Policy. Our Board will shortly sign off nine draft policies, including a Privacy Policy and Conflict of Interest Policy. We have prioritised outstanding policies based on risk.

**Our TCFD disclosures:** In Aotearoa New Zealand, large organisations and listed companies must disclose their climate-related risks by the 2023/24 reporting year. To prepare for this change, they need to understand the Task Force on Climate-Related Financial Disclosures’s (TCFD) guidance and the requirements of Aotearoa New Zealand’s External Reporting Board (XRB).

While we are a private company and not subject to this regulation, we have used the TCFD process to assess our climate-related risks and opportunities.



*In 2020 we successfully upgraded to our new integrated Project Management System Zoho Project which ‘talks with’ our Customer Relationship Management system.*





# Our climate statement

Our existing governance structures and management processes will allow us to respond to our climate change risks and manage them effectively. They will also ensure we can identify climate-related opportunities in the short, medium and long terms. We will formally document our processes for assessing climate-related risks and opportunities over the coming year and the climate change strategy that results from this work. Pages 48 to 50 contain more disclosures on our climate change metrics and science-based target.

## Business risks and opportunities

Our initial assessment suggests that businesses are increasingly putting in place sustainability strategies and addressing climate change. We will do a more detailed assessment in 2022.

### Business opportunities

- More clients will want to understand their climate-related risks and prepare TCFD disclosures
- Clients will invest in our other services too (beyond our TCFD service)

### Business risks

- Other professions, such as accountants and engineers, will add carbon services to their offerings. This will make it harder for us to differentiate and stay ahead.
- More companies will create in-house teams to replace external advice
- We will lose clients if they have to close their businesses, scale down or move to another country
- We will need to comply with more regulations

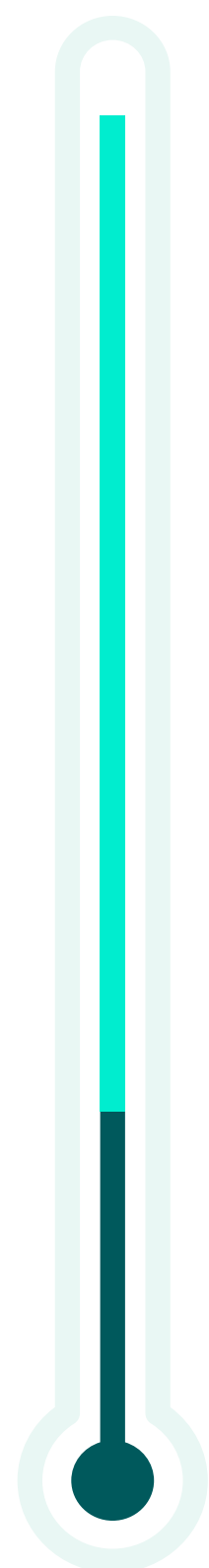
### Our strategy to address these business risks

- Continuing to build our skills, knowledge and expertise and invest in our people
- Developing new service offerings, including training our clients





Scenario 1: RCP 2.6 | 0-1°C



Scenario 2: RCP 8.5 | 1.5-4°C

## Physical risks

As a small business with limited physical assets beyond small offices and leased office space, our physical climate-related risks are mainly confined to the health and wellbeing risks to our people and increases in our operating costs.

### Physical risks: Aotearoa New Zealand

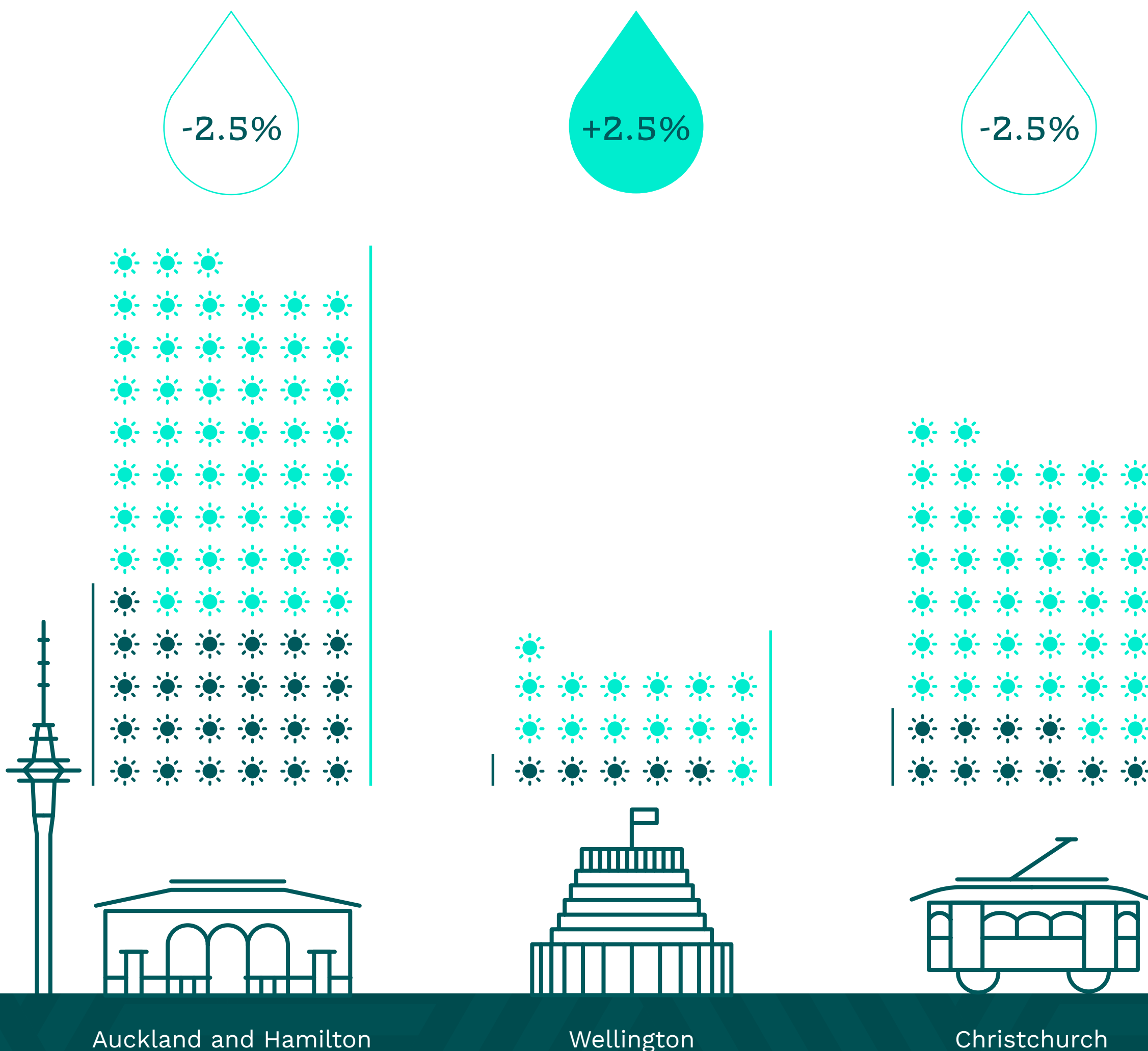
To date, we have limited our risk assessment to the physical risks associated with a changing climate in Aotearoa New Zealand, using publicly available information from the National Institute of Water and Atmospheric Research (NIWA). We have summarised these risks using two scenarios which the Intergovernmental Panel on Climate Change (IPCC) has modelled for greenhouse gas concentrations (Representation Concentration Pathways or RCPs).

### Physical risks: Australia

We will run the same scenario analysis for our Australian offices in 2022.

### Our strategy to address these physical risks

We will include these risks in our health and safety risk register and review them regularly.



**Increase in annual mean temperature**  
Increasing average temperatures (by up to 4°C) can negatively affect people's health and wellbeing and increase operating costs.



**Change in relative humidity**  
Under both scenarios relative humidity increases in Wellington and decreases in other centres. This has the potential to increase operating costs.



**Increase in hot days (over 25°C) per year**  
Increasing hot days (by up to 75 per year) can negatively affect people's health and wellbeing and increase operating costs.





*‘The Life Cycle Assessment report is a robust, credible piece of work demonstrating the low carbon footprint of our farmed mussels and oysters. It helps build our sustainability story for our customers and provides the aquaculture industry with insights for further improvements.’*

**STEPH HOPKINS,**  
Policy Manager, Aquaculture New Zealand



## CASE STUDY: AQUACULTURE NEW ZEALAND

# Putting shellfish on the menu for carbon-conscious consumers

In 2021 we delivered our first comparative Life Cycle Assessment (LCA) for the food industry. Consumers are increasingly looking for food that will lower their impact on the environment and businesses need data to back up their sustainability claims.

Knowing that Aotearoa New Zealand’s shellfish farmers offer an attractive option for carbon-conscious consumers, industry group Aquaculture New Zealand (AQNZ) and the Ministry for Primary Industries (MPI) asked thinkstep-anz to carry out a Life Cycle Assessment that would:

- quantify the environmental performance of farmed mussels and oysters
- identify hotspots to improve processes across the mussel/oyster life cycle

- compare the environmental footprint of mussels, oysters and other edible protein
- deliver a report that follows international standards and stands up to scrutiny.

We looked at the full life cycle of farmed shellfish from ocean to plate and disposal.

We then compared eight different proteins to oysters and mussels farmed in Aotearoa New Zealand.





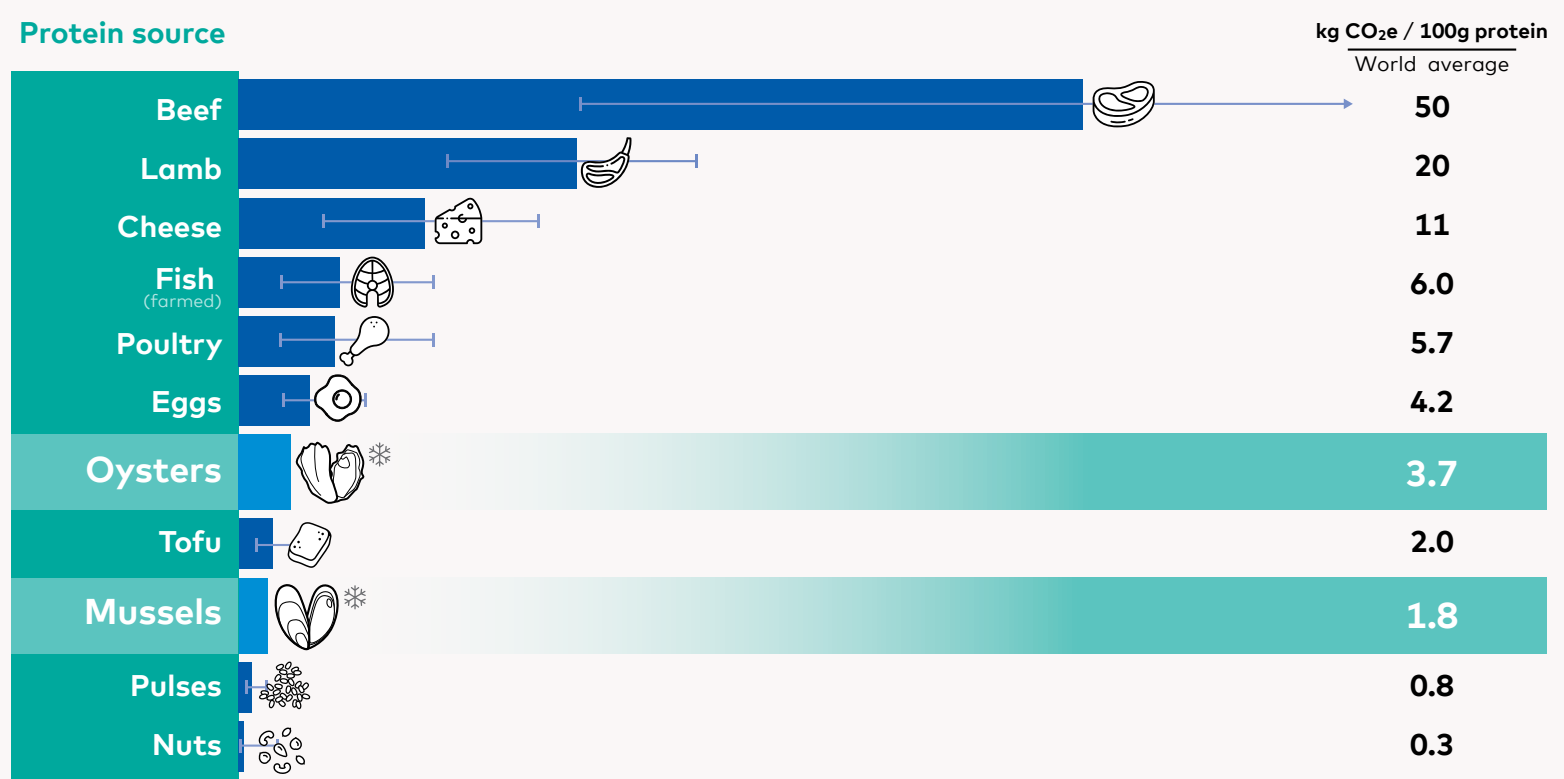
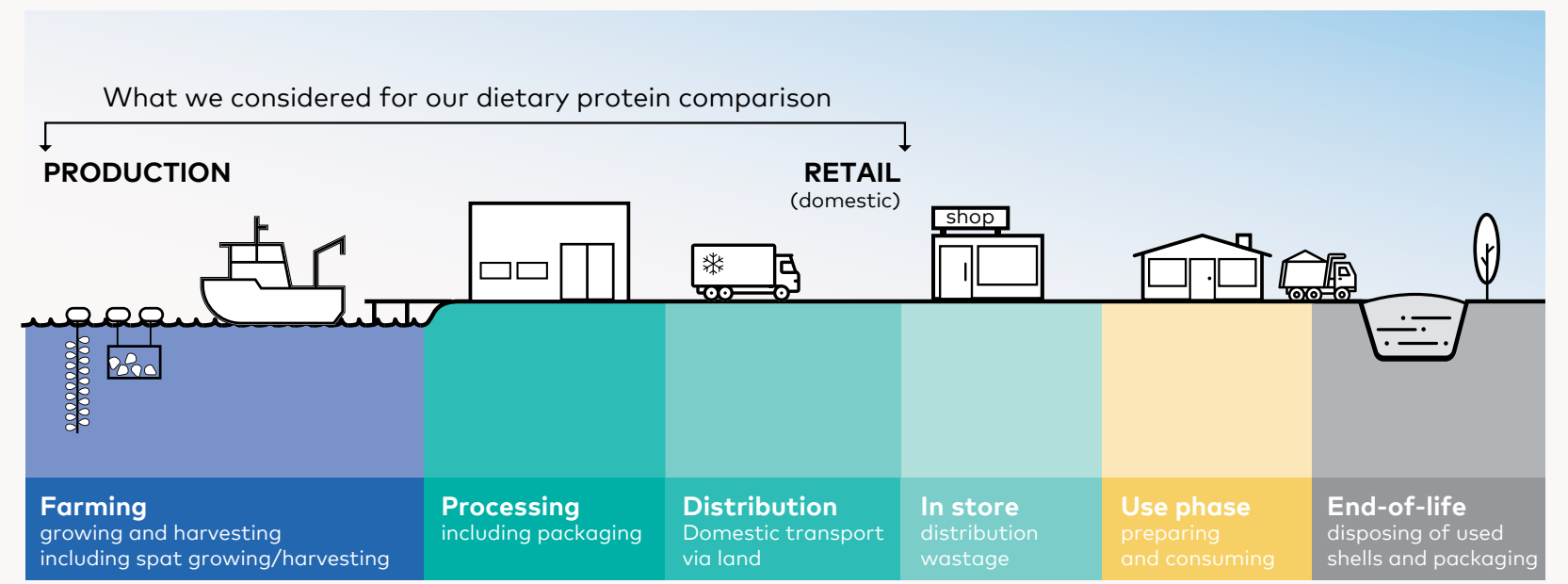
We found that shellfish have the lowest carbon footprint of all animal proteins considered in the study – comparable to tofu on the global market.

The aquaculture industry will use this information to alert carbon-conscious consumers to the sustainability credentials of Aotearoa New Zealand-grown shellfish. The results will also be valuable to achieve the Government’s goal: Aotearoa New Zealand becoming globally recognised as a world-leader in sustainable and innovative aquaculture management.



**Want to know more?**  
**Read the full findings on our website: A life cycle assessment of mussels and oysters**

### Full domestic life cycle



**Carbon footprints of different dietary proteins on the global market – production to retail only**  
in kg CO<sub>2</sub>e / 100g protein

range of results for each protein source

This chart shows global production and consumption data. It does not necessarily reflect New Zealand conditions. Frozen half-shell products have been chosen because they are the most common product exported from New Zealand.



## How this project created value



### Our finances

We branched out into a new industry



### Our partnerships

Through AQNZ and MPI we built relationships with the farmed shellfish industry in NZ



### Our knowledge and systems

We gained industry knowledge



### Our natural world

We helped the industry to improve processes and consumers to choose low-carbon protein



## OUR PEOPLE

*Our team grew rapidly from 19 to 38. At the end of 2021 we had eight staff in Australia, 29 in Aotearoa New Zealand and one in the UK.*

We are excited to have expanded our team and the skills and experience we can offer our clients. We have chosen our new team members carefully to complement the expertise of our existing team. Together, they bring our clients on both sides of the Tasman the technical, commercial, communications and design expertise they need to succeed sustainably.



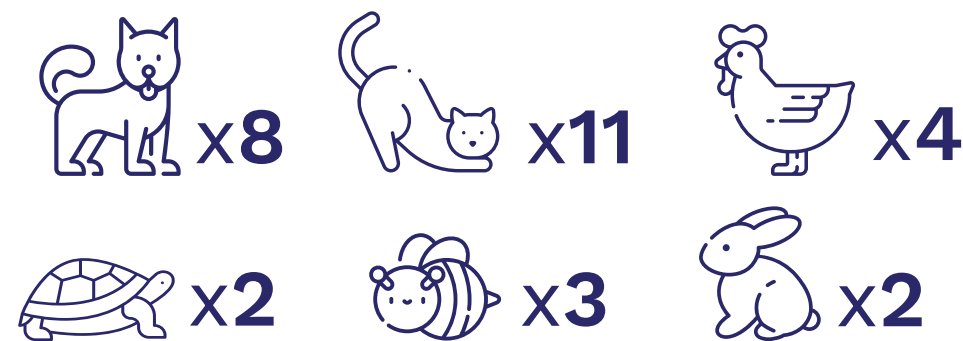


## GENDER DIVERSITY

*50% Female  
50% Male*

Leadership team:  
57% female | 43% male

Heads of:  
62% female | 38% male

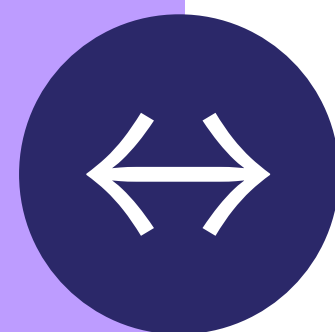


## OUR (HOME) OFFICE PETS

*The little creatures that  
kept us company in both  
good and hard times*

## INDUSTRY BACKGROUND

*Our team has come to  
us from a wide range  
of industries. Here  
are just a few of them*



CONSTRUCTION



SCIENCE



EDUCATION



BANKING



FORESTRY



ENVIRONMENT



ENERGY



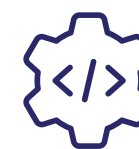
TRANSPORT



LAW



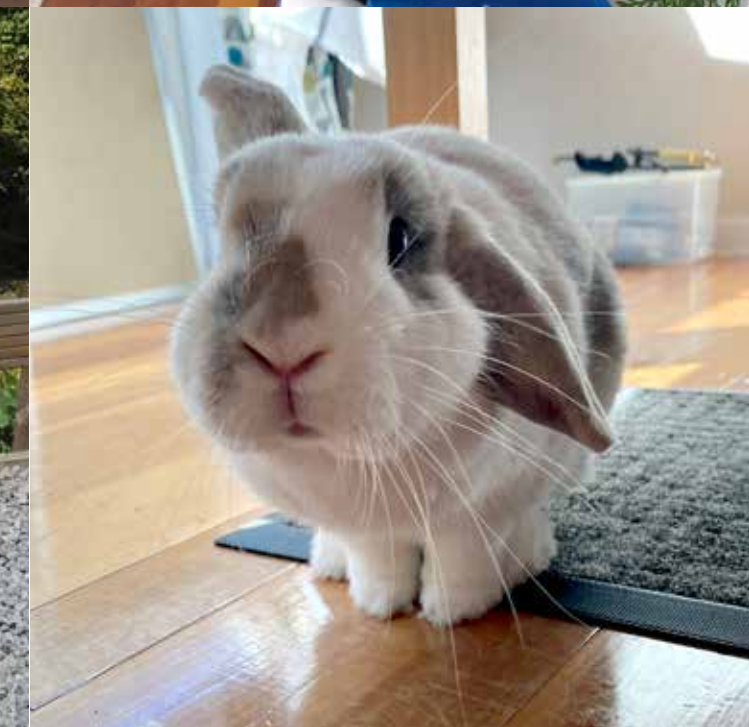
JOURNALISM



IT



WASTE







# Recruiting new team members

Nicole Sullivan and Martin Fryer joined us as our Heads of Strategy and Impact for Australia and Aotearoa New Zealand respectively, and Jim Goddin as our Head of Circular Economy. Kate Thompson joined as our Head of Communications and Caroline Noordijk moved into the Head of Creative role. They are all senior practitioners with strong technical expertise, people skills and business networks.

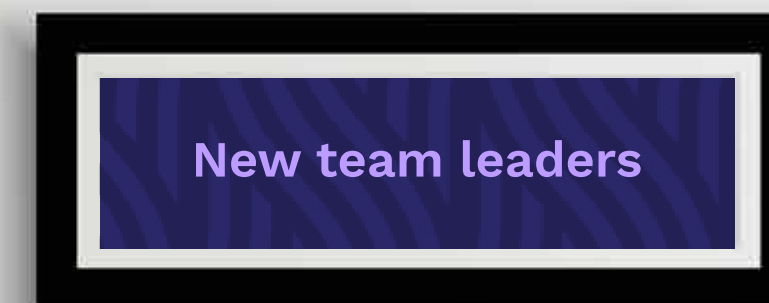
Labour markets are tight on both sides of the Tasman and recruiting experienced team members has been difficult at times. Our existing relationships and reputation have helped us recruit talented people. We have strengthened our recruitment processes by improving our communications and reference checking.

## Retaining and developing our team

The challenge now is to retain and develop all our team members. In 2021 we improved our onboarding to help new team members feel welcome and understand the business quickly in those important first weeks.



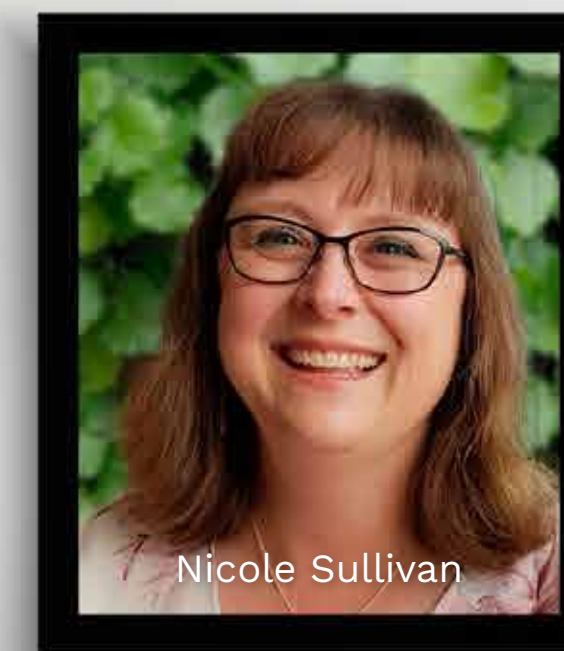
Kate Thompson



Jim Goddin



Martin Fryer



Nicole Sullivan



Caroline Noordijk



**Meet our team as they share their predictions for sustainability in 2022**





## We have continued to invest in our team's knowledge and skills

### In Australia

- **Carbon certifications:** four trained in Climate Active's Carbon Neutral Standard. Climate Active is a partnership between the Australian Government and businesses to drive voluntary climate action.

### In Aotearoa New Zealand

- **Leadership development:** two team members attended the Sustainable Business Council's excellent Sustainability Leadership Programme
- **Product certifications:** three completed the Cradle to Cradle Institute's training in social fairness
- **LCA certification:** two team members became certified LCA practitioners. We now have seven team members with certification. This makes us the largest team of certified LCA practitioners in Australasia
- **B Corp:** one team member became a certified B Corp consultant
- **Indigenous environmental management:** one team member completed Heke Kaitiakitanga Pūtaiao (Diploma in Environmental Management) from Te Wānanga o Raukawa (a training institute in Aotearoa New Zealand).
- **Green Star:** one team member completed this training with the Green Building Council of Australia.

## Our team's industry experience

In early 2022 we surveyed our team to understand the industries they worked in before they joined us. The results show wide industry experience. Utilities, construction, agriculture, forestry and aquaculture, retail trade, and food services featured strongly. Professional, scientific and technical services and education were well represented too, reflecting the client-services and research backgrounds that many of our team bring to their work.

## Keeping our team healthy and safe

The Covid pandemic meant most of our team worked from home for much (or all) of the past two years. For new employees and others who prefer to work in an office, this proved challenging at times.

We ensured all team members had a fully ergonomic set-up for working from home (no 'kitchen table' scenarios!) To give people a sense of routine we set up buddy calls and did the twice daily Stuff quiz. Technology, including Microsoft Teams and Miro boards, helped us connect with one another and our clients.

We have updated our Remote Working Policy and will continue to offer our teams the flexibility they value. We also created a Health and Safety Policy and formally assigned safety roles including fire wardens and first aiders.

We signed the lease on our Auckland office in 2021.



## *'What makes a good sustainability professional?'*

**Here is what we told a business partner when they asked us:**

We look for people who have the skills and experience our clients want from our team. That means expert technical skills combined with business skills and experience.

We think these are the most important qualities in a sustainability professional: being a strong communicator (including a listener!), curiosity, persistence and enjoying working with others.

We don't look for a specific degree or background. We have economists, engineers, scientists, lawyers, designers and journalists in our team. They all have these things in common: they can think in systems, they're good with detail, and they can see the bigger picture too.





# Team profiles

In the last 24 months, we welcomed many new faces. We can't introduce them all, but here are Dom and Andrea. They represent the experience, knowledge and enthusiasm our new team members bring to our business.

## Dom Dixon

Sustainability Specialist / Carbon Footprint Specialist, Auckland (NZ)  
Member of the Vantage Black Sticks, Aotearoa New Zealand's men's hockey team

### Why were you keen to join us?

I wanted the next challenge in my career and thought thinkstep-anz were doing amazing things. All the interactions I had with you before I applied were awesome. You seemed like a great team and something I would enjoy being a part of.

### What experience do you bring to your role?

I have a background in sustainability in the recycling and waste sector,

so I understand sustainability from the waste minimisation angle. I want to continue developing experience in holistic sustainability. I feel this role is a perfect way to do it.

### What do you enjoy about your role?

The variety of the work – researching topics, calculating a carbon footprint, providing reduction pathways. And working with organisations to improve their sustainability.



*'I enjoy the variety of the work – researching topics, calculating a carbon footprint, providing reduction pathways. And working with organisations to improve their sustainability.'*





*‘I’m surrounded by a microcosm of the world’s nationalities – positive, smart, hard-working people – and exposed to the huge sustainability community through our networks.’*



## Andrea Davies

Senior Green Building and Strategy Specialist, Brisbane (AU)

### Why were you keen to join us?

I’d been a thinkstep-anz client and was impressed with the professional advice you gave me, how flexible you were and how keen you were to find solutions that worked for your clients. I knew you’re highly regarded in the construction industry – and represented on many sustainability organisations, working groups and certification bodies.

### What experience do you bring to your role?

Many years of residential construction in regional Western Australia and metro Brisbane – including bespoke building and volume building; and civil construction experience for contractors and manufacturers. Plus social sustainability: in anthropology and managing Aboriginal and Torres Strait

Islander fisheries and cultural heritage. I’ve also got legal skills in corporate and tax law. So a real mix!

### What do you enjoy about your role?

The variety. I get to be involved in different sectors with people who want to embed sustainability into their businesses and products. And I’m surrounded by a microcosm of the world’s nationalities – positive, smart, hard-working people – and exposed to the huge sustainability community through our networks.

### What keeps you busy outside of work?

I am a keen non-fiction reader and love working in my sub-tropical garden.





# Cultural engagement

We're proud to employ a diverse, international team. However, we have much to learn when it comes to meaningful indigenous engagement in Australia and Aotearoa New Zealand. We need to do much more.

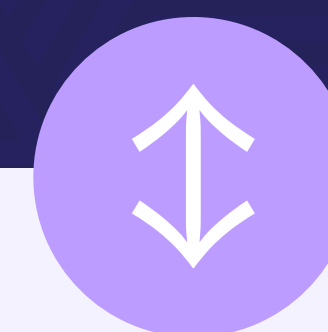
In the next three years we will create two engagement plans to help us promote indigenous thinking in our business and the wider sustainability sector. These plans will help our team become more aware of indigenous issues and grow our knowledge. They will also focus on making thinkstep-anz an attractive, culturally safe place to work for indigenous people and people with different worldviews.

Our *Reconciliation Action Plan* will help us advance social and economic equity for Australia's First Nations peoples. In Aotearoa New Zealand we will build our understanding of Te Tiriti o Waitangi | The Treaty of Waitangi, te reo and tikanga Māori (Māori language and customs) and reconcile with Aotearoa's colonial past.

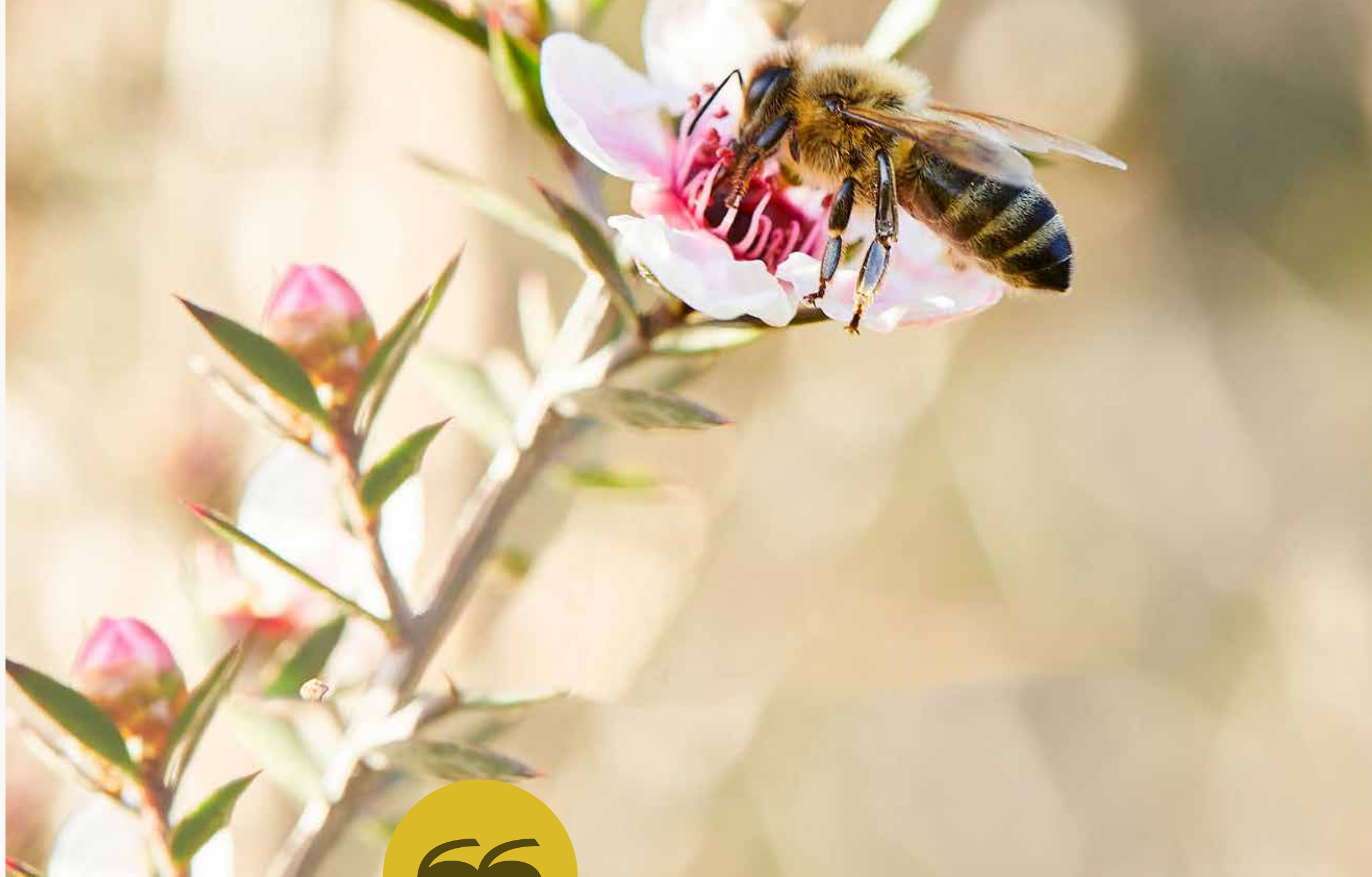


## CULTURAL DIVERSITY

*Most of us now call Australia and Aotearoa New Zealand home, but we have roots in many places around the world*







*‘The value is in how these projects work together – each providing a piece to the puzzle, bringing focus on what matters so we can make the biggest impact as a whole.’*

HEATHER JOHNSTON  
Head of Safety & Sustainability, Comvita



## CASE STUDY: COMVITA

# Striving for Harmony

As the global market leader in mānuka honey and bee consumer goods, Aotearoa New Zealand company Comvita set out, almost 50 years ago, to work in harmony with bees and nature to help people feel better and live well.

Over the last two years, we have worked closely with Comvita on projects that support their sustainability strategy and highlight their industry leadership.

The resulting projects build and deliver Comvita’s ambitious Harmony Plan. They enable the company to act with purpose, intent and impact and create positive stories built on integrity to share with consumers, employees, community partners, shareholders and other stakeholders.

### Getting ready – maturity assessment

First, we conducted a maturity assessment that provided Comvita

with a solid base on which to build their sustainability goals and roadmap. The exercise established a sustainability maturity baseline to measure future improvements against current performance.

### Collecting data for impact

As they firmed up their sustainability strategy and roadmap, Comvita asked us to carry out a series of projects:

**Stakeholder engagement and materiality assessment:** We identified the environmental, social, and governance areas that matter most to Comvita’s stakeholders and the business. We provided Comvita with a materiality matrix to inform their





sustainability strategy. The materiality assessment provided a great opportunity for Comvita to engage with its internal and external stakeholders through focused conversations on sustainability.

**Carbon footprint:** We developed a carbon footprint for Comvita’s Aotearoa New Zealand-based operations and a roadmap for their future reporting. This resulted in a comprehensive, published inventory of Comvita’s Scope 1 and 2 carbon emissions. We continue to work with Comvita as they extend their inventory to capture global operations and wider supply chain data. This work supports Comvita’s leadership goal of being carbon positive by 2030.

**Life Cycle Assessment (LCA):** This project will help Comvita understand the environmental impacts of ‘honey in a pot’ along its full life cycle: growing the mānuka forests, harvesting the honey, packaging the honey, transporting it to destination markets and disposing of its packaging at end-of-life. It will provide a benchmark to communicate environmental impacts, including the carbon footprint of honey. This is another building block in Comvita’s strategy, helping it focus on reducing environmental impacts throughout its supply chain.

**Packaging circularity:** This project will assess the circularity of all existing Comvita packaging across its global markets using the Material Circularity Indicator

(MCI). Circularity looks at how to reuse resources to prevent waste, reduce supply chain risks and make businesses more resilient.

**Creating value through connected projects**

- The materiality assessment validated Comvita’s sustainability strategy, prepared the company for integrated reporting and improved stakeholder communications.
- A comprehensive baseline carbon measure meant Comvita could publish its carbon inventory and set ambitious targets to reduce emissions.
- Results of the LCA and Material Circularity Indicator (MCI) together highlight environmental impacts of and circularity opportunities for Comvita’s packaging materials.
- Combining metrics and rigour on these projects has reinforced Comvita’s industry leadership in carbon and sustainability in general.



**How this project created value**



**Our finances**

We worked with Comvita on a series of projects



**Our partnerships**

Our relationship with Comvita further establishes our reputation in the food sector



**Our knowledge and systems**

Providing strategy advice from a maturity assessment all the way through to circular economy indicators enabled us to hone our skills



**Our natural world**

Our advice will help Comvita work in harmony with nature and continue their regeneration work





## SHARING OUR SKILLS & KNOWLEDGE

*Sharing our skills and knowledge is important to us. We're all in this together and we're all learning.*

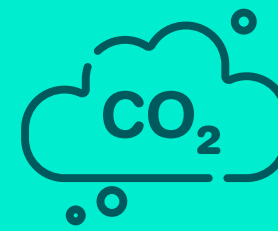
In the past two years we have run regular free webinars featuring our own and external experts, spoken at conferences, and published many plain English case studies, blogs and articles. We also contributed many hours of time and expertise to working groups. You can read more about this on pages [42 to 45](#).

These activities raise awareness and help educate the business community about sustainability. They also help us build our own knowledge and the relationships and networks we need to grow our financial, social and relationship and intellectual capitals.

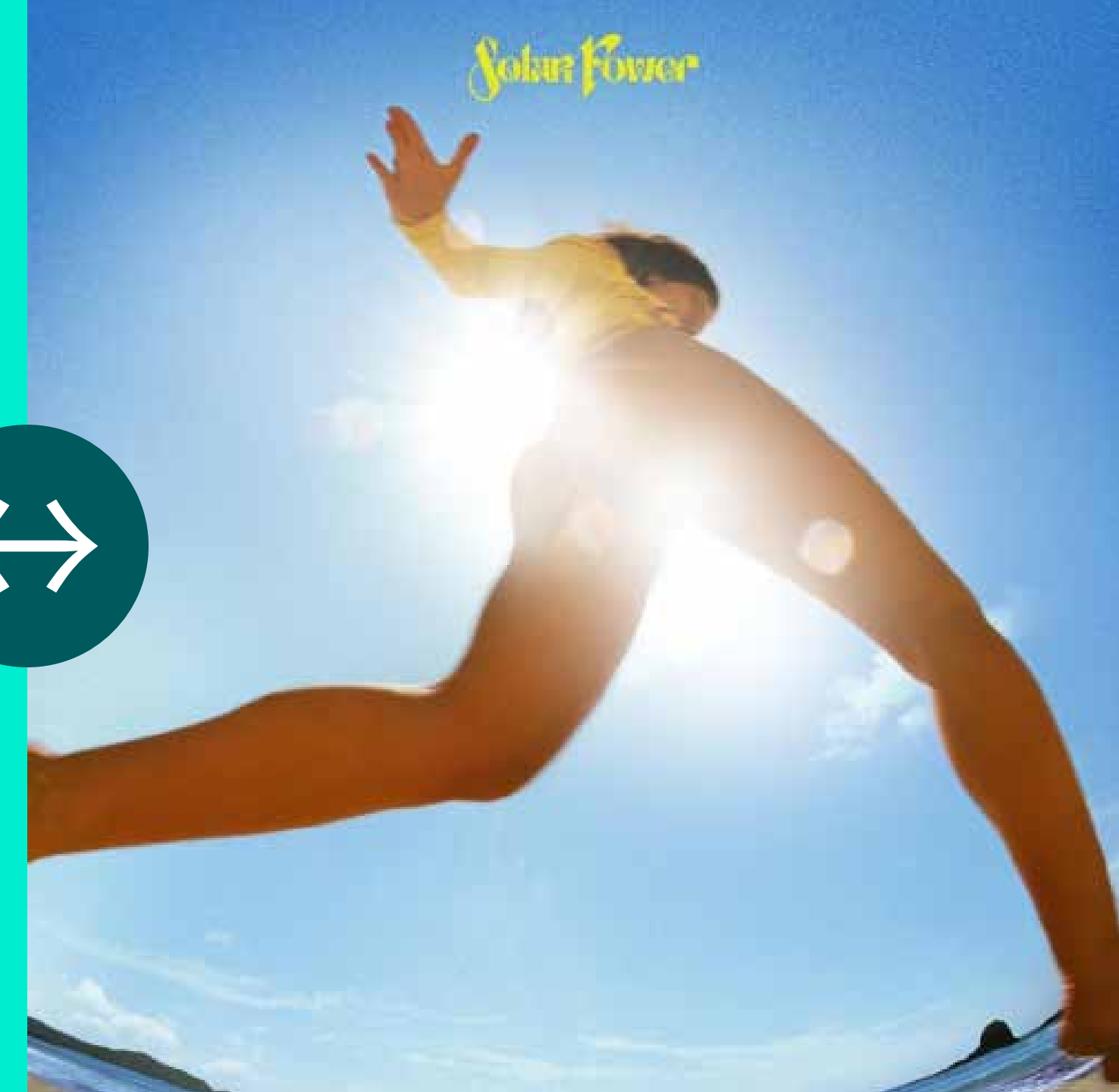




*We launched our SDG Status Report, a snapshot of how Australia and Aotearoa New Zealand's top 50 companies are using the SDGs to guide their decisions*



*We helped the Kiwi singer Lorde reduce her carbon footprint and produce a Net Zero Carbon album, Solar Power*



*We produced three sector reports*

- Emission Intensities for Commodities and Industries (Aotearoa New Zealand)
- A report on the tourism industry's carbon footprint for the New Zealand Parliamentary Commissioner for the Environment
- Embodied Carbon and Embodied Energy in Australia's Buildings for GBCA



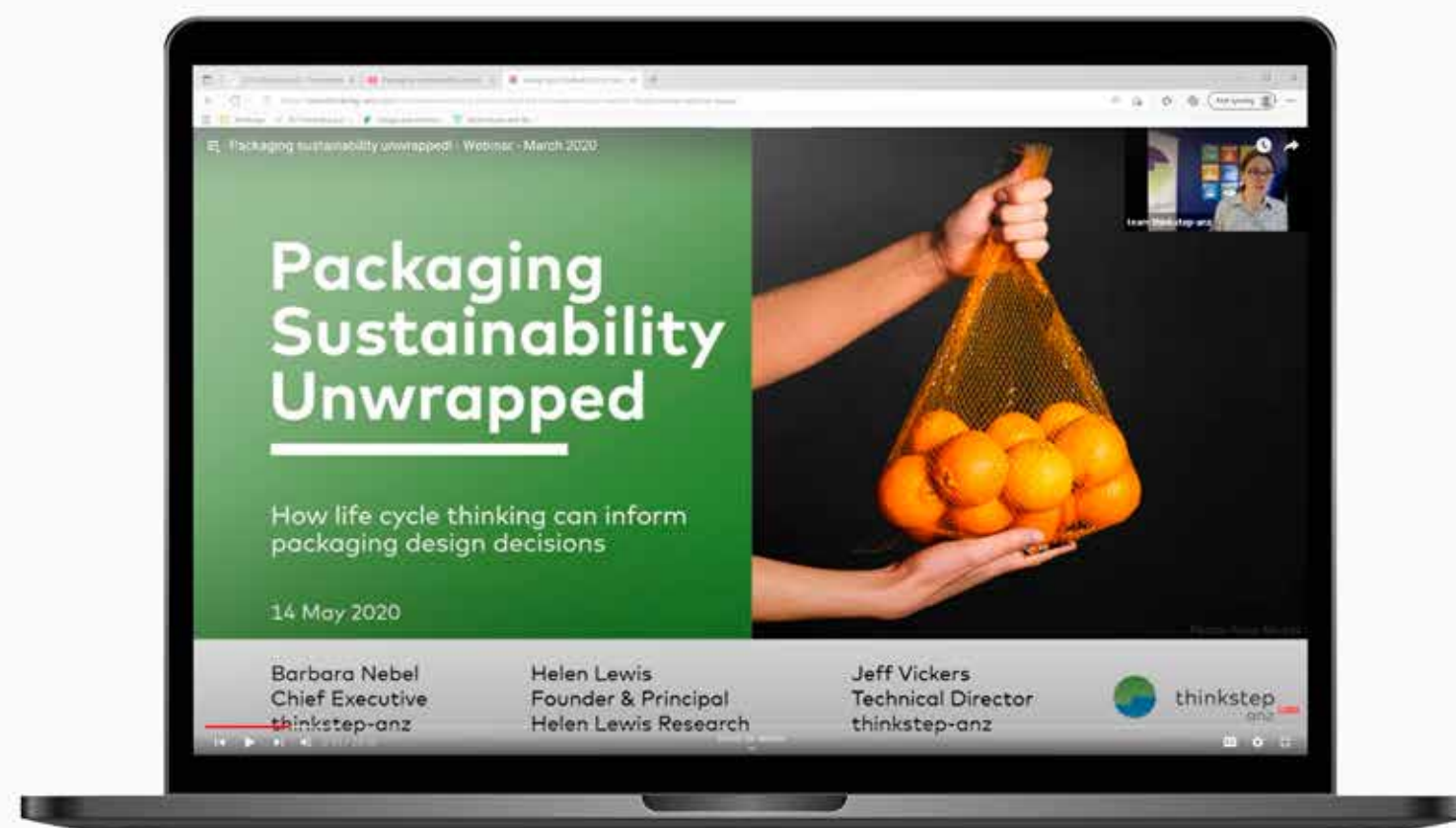


*We were delighted to win Best Plain English Technical Communicator in the 2021 New Zealand Plain English Awards*

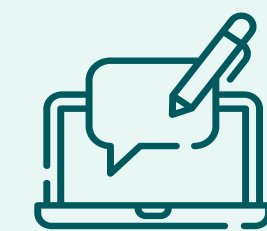


We see ourselves as ‘translators’:  
we translate our sustainability findings  
into business information to help clients  
understand and act on our findings.

Our translations feature clear, concise plain  
English writing with engaging infographics.  
Our communications and design service  
now offers plain English case studies to  
help clients explain detailed technical  
findings to stakeholders like suppliers.  
We have begun writing and designing  
plain English executive summaries for our  
technical reports and plain English EPDs.  
We want our work to have an impact!



*We ran 34 free webinars  
with clients, partners,  
industry leaders, and  
technical experts, and  
spoke at 44 conferences  
and workshops*



*We published regular  
blogs & case studies*



**We continued to gain media  
coverage for our work.  
Strengthening our media  
relationships in both Australia  
and Aotearoa New Zealand  
will be a focus for 2022.**



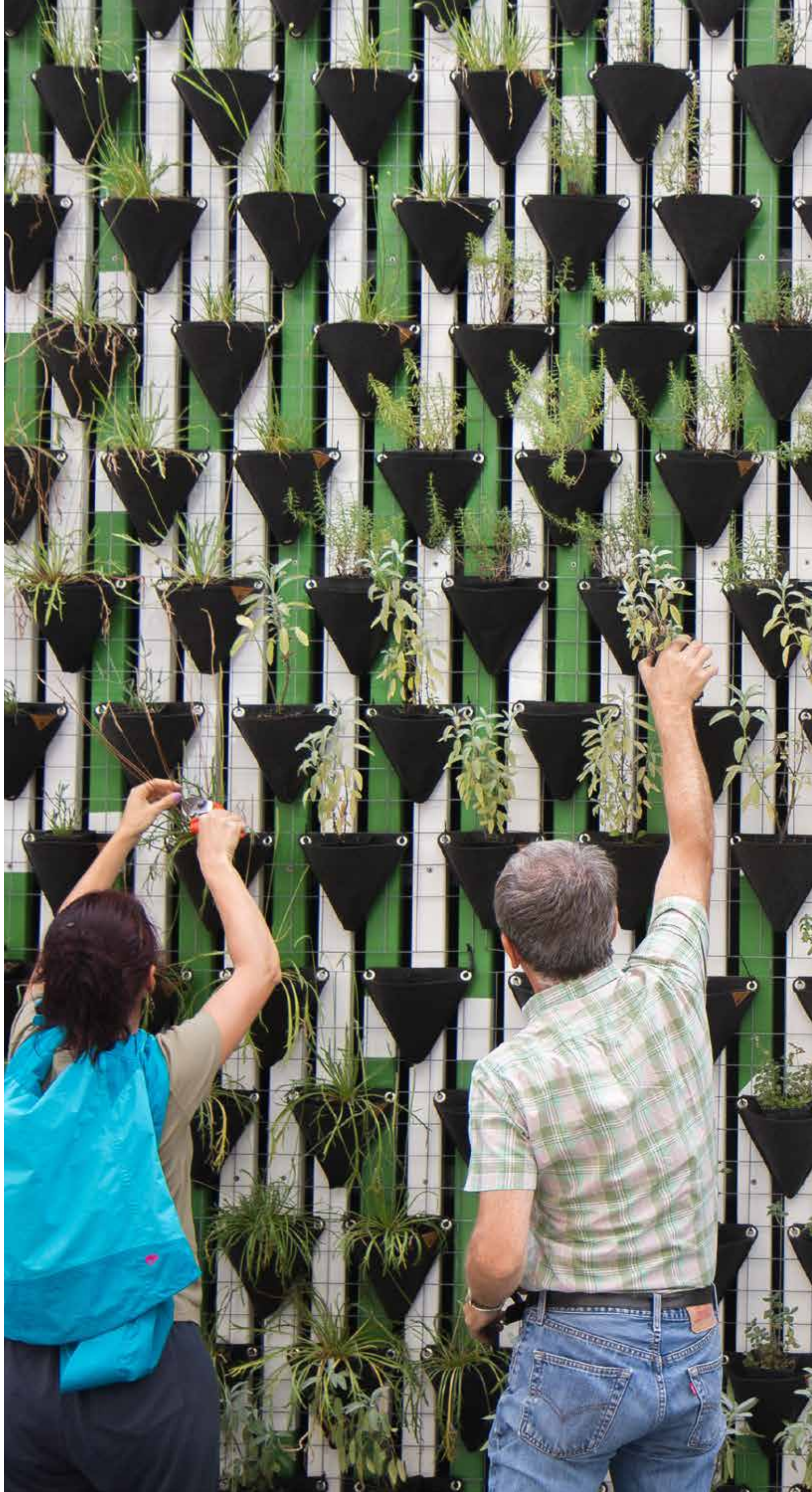


Image by Daniel Funes Fuentes via Unsplash

# Our partnerships

We’re all learning and we’re better together. We’ve continued to join and contribute to membership organisations that help us learn from the best and share our knowledge. Recruiting Jim Goddin, our Head of Circular Economy, and Nicole Sullivan, our Head of Strategy and Impact for Australia, has helped us become more active in partnerships that involve circular economy, materials and embodied carbon.

Industry contribution/membership		
Global	International EPD System	Technical Advisory Group: Barbara Nebel
	International Round Table on Materials Criticality (IRTC)	Industry Focus Group: Jim Goddin
	ISO / TC 323 / WG3 (circular economy)	Measuring and Assessing Circularity: Jim Goddin
	UK Research and Innovation (UKRI) Circular Economy Hub	Independent Advisory Board Member: Jim Goddin
	Science Based Targets initiative	Technical Advisory Group: Barbara Nebel
Trans-Tasman	EPD Australasia	Board Chair: Stephen Mitchell Board member: Martin Fryer Technical Advisory Group: Barbara Nebel and Gaya Gamage
	Infrastructure Sustainability Council (ISC)	Sustainable Materials Advisory Panel: Emily Townsend Aotearoa New Zealand Working Group: Emily Townsend



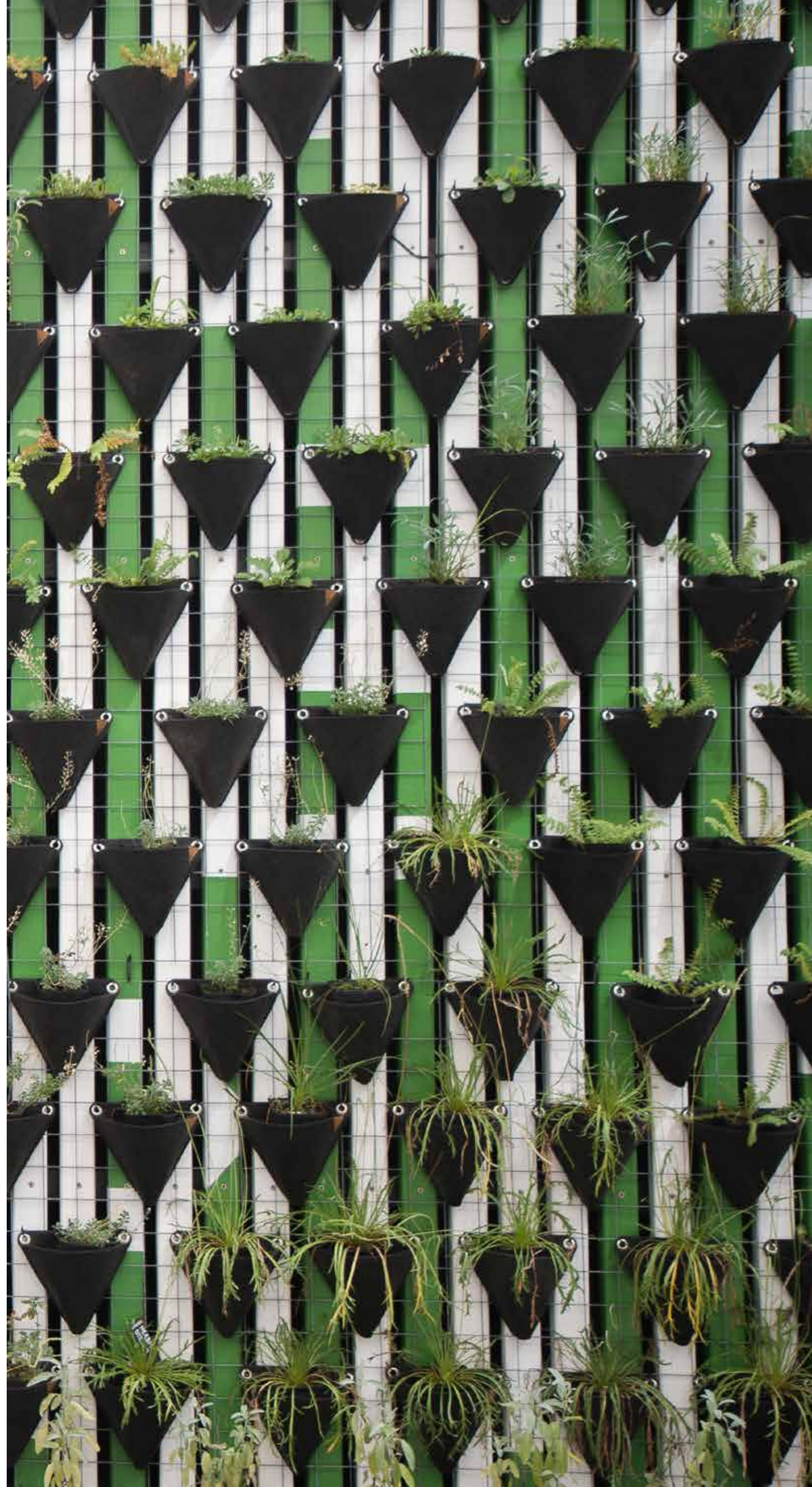


Image by Daniel Funes Fuentes via Unsplash

Industry contribution/membership

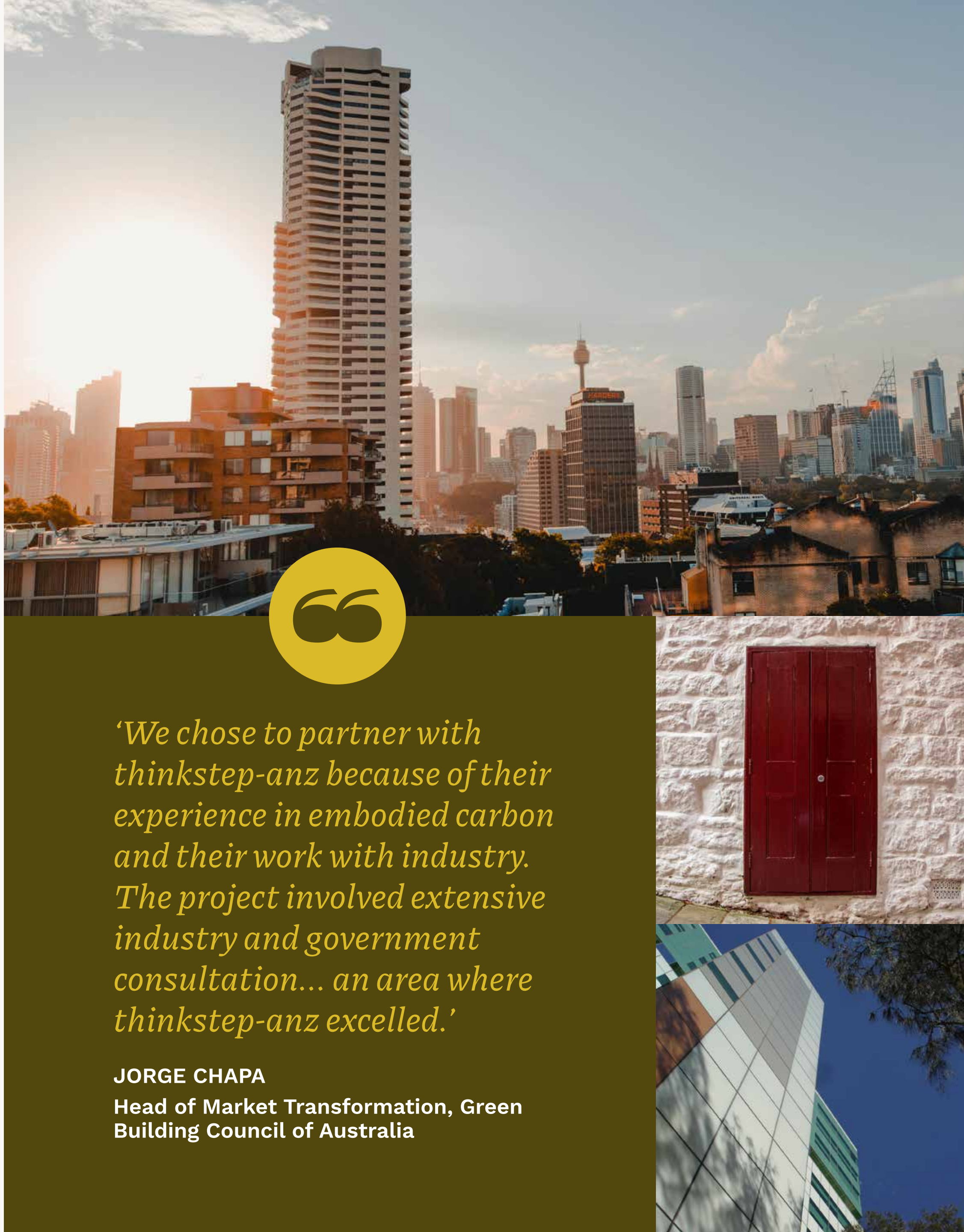
Australia

Green Building Council of Australia (GBCA)	LCA Expert Reference Panel: Jeff Vickers Responsible Products Expert Reference Panel: Nicole Sullivan
Australian Life Cycle Assessment Society (ALCAS)	AusLCI Database Committee: Barbara Nebel
Materials and Embodied Carbon Leaders' Alliance (MECLA)	Working Group 2 Evaluation: Barbara Nebel Working Group 4 Common Language: Nicole Sullivan Project Controls Group: Nicole Sullivan
ARC Steel Research Hub	Advisory Committee: Nicole Sullivan
Vinyl Council of Australia	Technical Steering Group: Nicole Sullivan
Australian Circular Economy (ACE) Hub	Technical Supporter Australian State of Circularity Report: Nicole Sullivan and Sally-Anne Käsner
Australian Packaging Covenant Organisation (APCO)	National Packaging Targets Implementation Working Group: Jim Goddin

Aotearoa New Zealand

New Zealand Green Building Council (NZGBC)	Member
Life Cycle Association of New Zealand (LCANZ)	President: Emily Townsend Founder and Committee Member: Barbara Nebel Best Practice Working Group: Jeff Vickers and Gaya Gamage
Sustainable Business Network (SBN)	Member
Sustainable Business Council (SBC)	Member
Climate Leaders Coalition (CLC)	Steering Committee: Barbara Nebel
Planetary Accounting Network	Delivery Partner
German-NZ Chamber of Commerce	Executive Committee: Barbara Nebel





*‘We chose to partner with thinkstep-anz because of their experience in embodied carbon and their work with industry. The project involved extensive industry and government consultation... an area where thinkstep-anz excelled.’*

**JORGE CHAPA**  
Head of Market Transformation, Green Building Council of Australia

CASE STUDY: GBCA

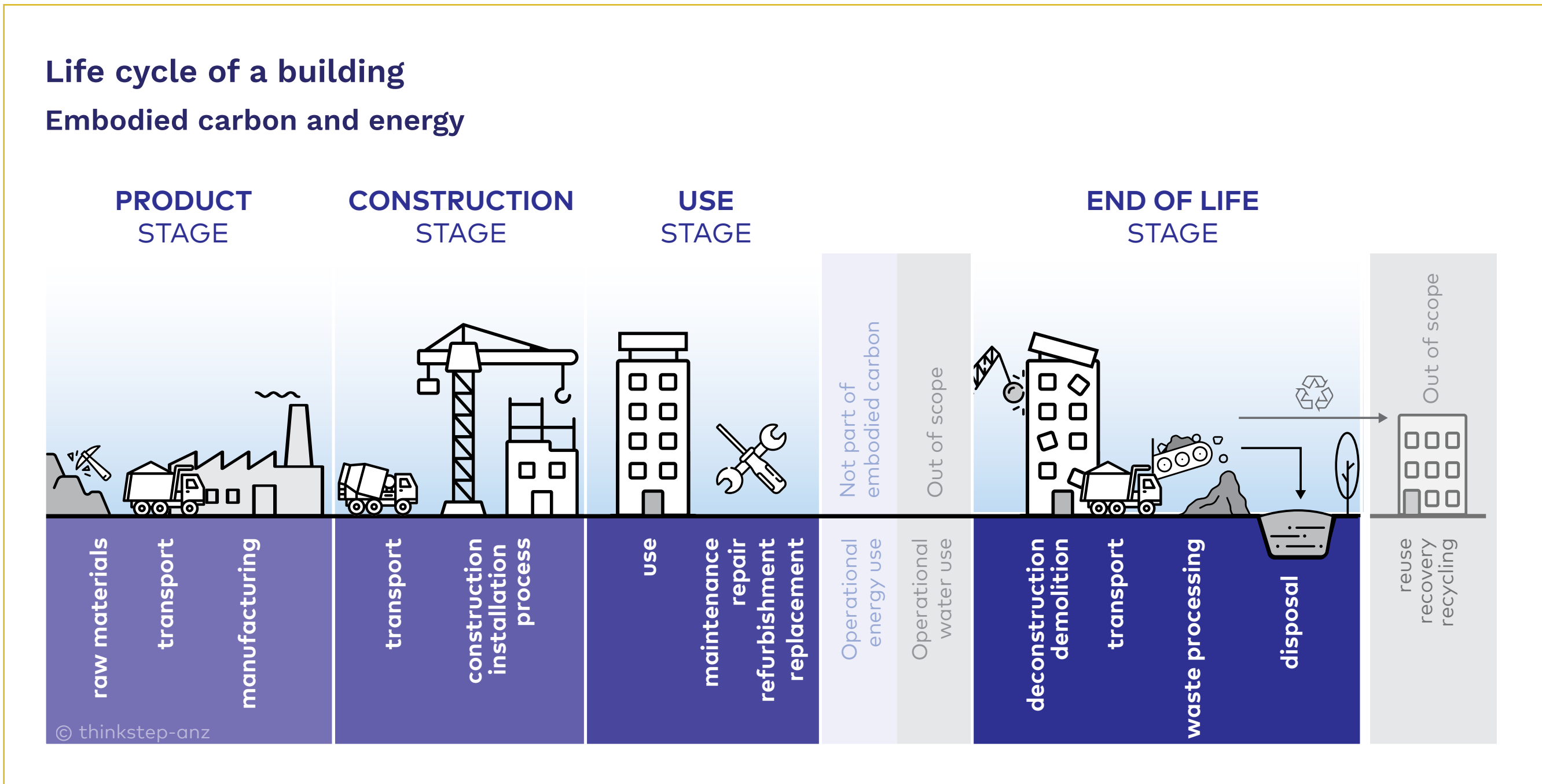
# Spotlight on hidden emissions in Australia’s built environment

We teamed up with the Green Building Council of Australia (GBCA) to release this report: *Embodied Carbon & Embodied Energy in Australia’s Buildings*. Carbon emissions generated from buildings while they are used – to keep them warm, cool, ventilated, lit and powered – are set to decrease as Australia’s electricity grid becomes increasingly renewable. However, embodied carbon emissions that are created when building materials are produced, and when a building is built, maintained, and demolished will not decrease.

Our report highlights the growing significance of embodied carbon in the building sector’s carbon footprint. Without action, embodied carbon emissions will be responsible for 85% of Australia’s built environment emissions by 2050.

Working with the GBCA provided us with a channel to present Australia’s building and construction industry with valuable information about why they should reduce embodied carbon. It also helped us to deepen our understanding of the challenges the industry is facing.





Our growing Australian team used their technical experience in the building and construction industry and extensive connections to raise the issue and provide solutions. Our relationships with several Australian building material producers also gave us insight into the market.

Our expertise in Life Cycle Assessment allowed us to quantify the ‘hidden emissions’ of Australia’s built environment. This will support the sector’s efforts

to meet the country’s commitment under the Paris Agreement and inform the Australian Government’s policies and decision-making to move to a net-zero carbon future.



**Want to know more?**  
**[Read the full report on our website](#)**



## How this project created value



**Our finances**  
We further established thinkstep-anz as an authority in LCA for the Australian building and construction industry



**Our partnerships**  
This work introduced us to the Australian Government and hundreds of GBCA member organisations



**Our knowledge and systems**  
We gained knowledge and relationships



**Our natural world**  
The project helps the industry lower its carbon footprint





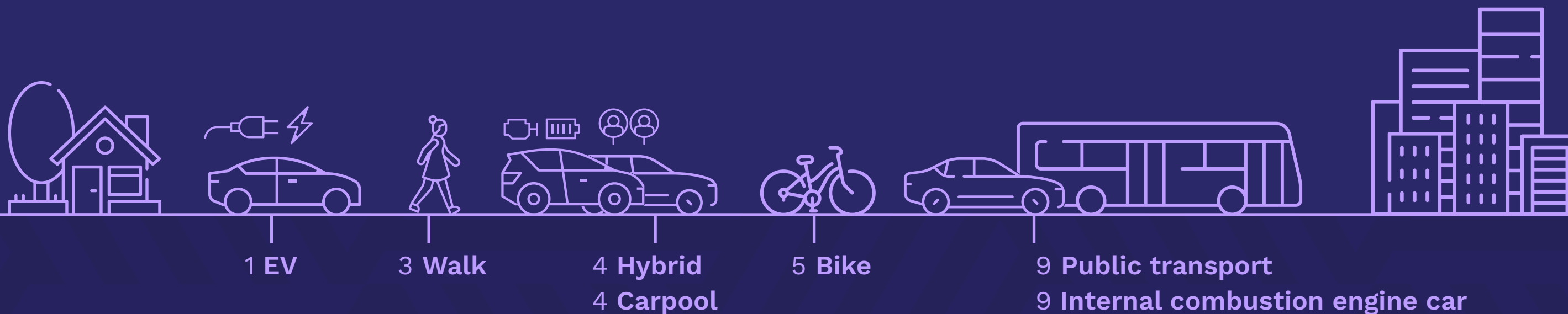
## OUR CARBON EMISSIONS

# Carbon is our most important environmental impact.

Our carbon footprint covers our operations in Australia and Aotearoa New Zealand. Scope 1 emissions are our direct emissions. They come mainly from the woodburner in one of our Wellington buildings. Scope 2 (indirect) emissions result from the energy we use to run our business. Scope 3 (indirect) emissions dominate our footprint. Our main sources of Scope 3 emissions are the goods and services we buy, our business travel and employee commuting.

Ekos has verified all our emissions. We have signed the New Zealand Climate Leaders Coalition’s 2019 pledge and report publicly on our emissions.

### GETTING AROUND: How our team commutes to work when we’re not working from home





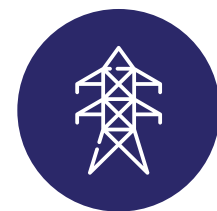


# Our Scope 1, 2 and 3 emissions



## Scope 1 (including biogenic) ▾ These emissions fell

Our new energy-efficient Wellington office is insulated and heated by electricity. Opening it has reduced the emissions we allocate to the business from the woodburner which heats our other building.



## Scope 2 ▴ These emissions rose

We opened our new office building in Pukerua Bay to cater for our growing team.

**Looking ahead:** We know we need to manage our growth sustainably. To do this, we are investigating renewable energy sources.



## Scope 3 (business operations) ↓ These emissions fell sharply

Business travel has dominated these emissions in the past. In 2019 business travel emitted 69 tonnes of CO<sub>2</sub>e. In 2020, due largely to Covid-19, that figure was 27 tonnes.

Covid-19 sharply reduced our travel for much of 2020 and 2021. We have also changed how we travel. Instead of flying within Aotearoa New Zealand, our two Aotearoa New Zealand-based directors now generally use an electric car and combine trips to our Auckland office with visits to clients based in the North Island.

Appointing a head of our Australian business, staff in Adelaide and Brisbane and senior team members in Auckland means our CEO travels less than in the past.

**Looking ahead:** We will continue to manage our business travel and help employees to manage their commutes with our Work From Home Policy and Wellington carpooling system. All our team in both countries can work from home. We have chosen the location of our office in Auckland so that our staff can use local public transport.



## Scope 3 (other) ↑ These emissions rose sharply

Purchases of goods and services for our growing team account for most of this category. We now use more data, IT equipment, office furniture and supplies than in the past. To support our growing business, we also need to engage more professional services.

**Looking ahead:** We know that we need to manage our growth sustainably. To do this, we continue to buy refurbished laptops and support our suppliers to reduce their emissions.

### *How our team deals with food waste in our home offices*







# Our Science Based Target

Our SBT covers our business operations. We have committed to reduce our absolute Scope 1 and 2 GHG emissions by 51% by 2030 from a 2018 base, and reduce our absolute Scope 3 emissions from business travel and employee commuting by 38% within the same time frame. The Science Based Targets initiative approved our target in 2019.

## The progress we are making

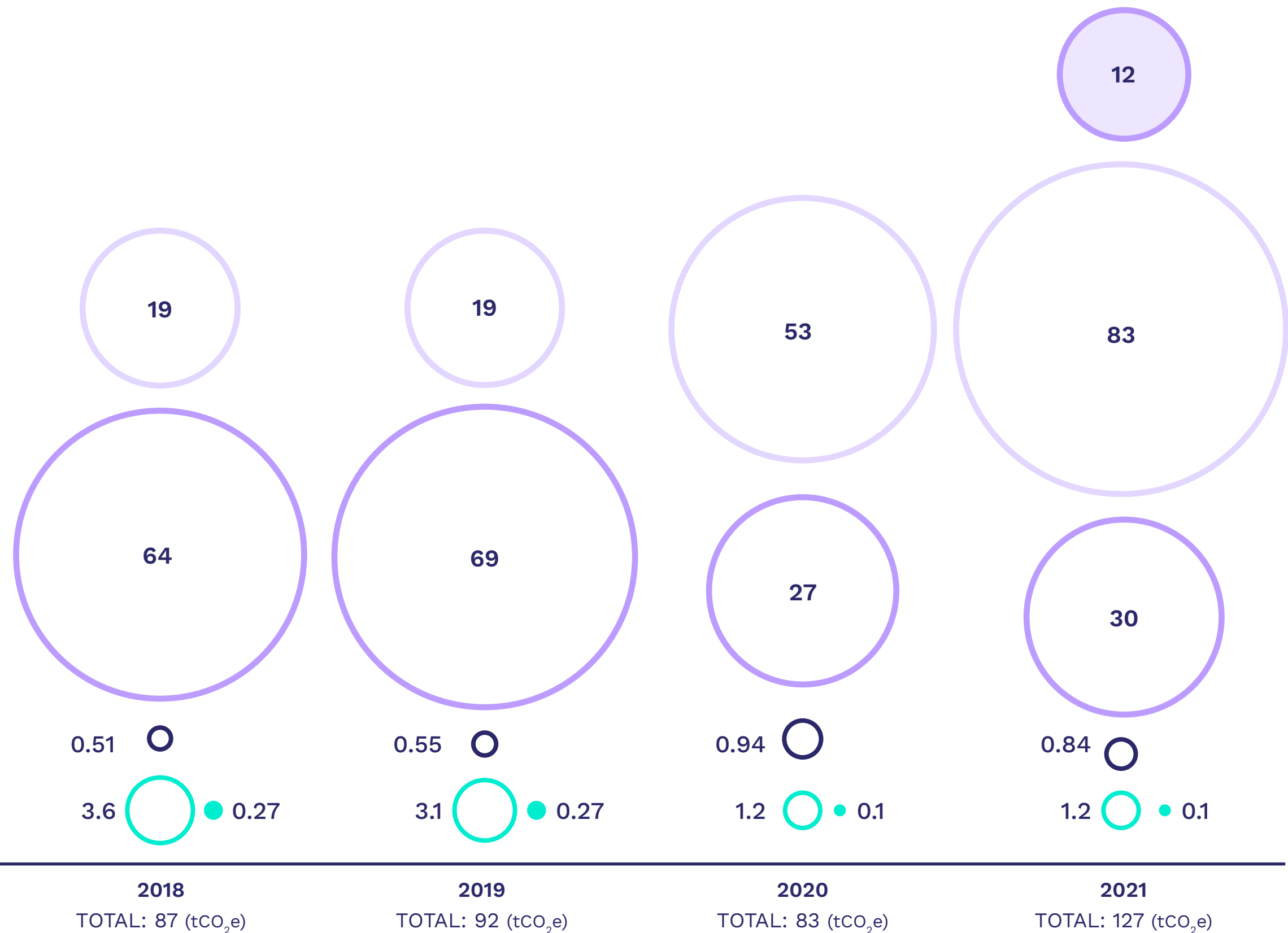
We have met our Scope 1 target but not our Scope 2 target. We need to manage our growth sustainably. To do this, we will focus on reducing our Scope 2 and Scope 3 (business operations) emissions in the coming year. While our target excludes our Scope 3 (other) emissions, reducing these will be a focus for us too. The commentary in the section on carbon above is relevant to this section.

## Offsetting the emissions we cannot avoid

We offset the emissions from our business operations that we cannot avoid, using high-quality Aotearoa New Zealand carbon offsets. We are Zero Carbon certified with Ekos. This excludes our biogenic carbon emissions.

## Recalculating our SBT

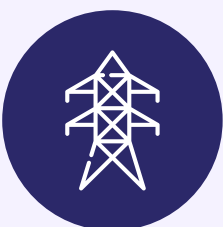
We need to recalculate our SBT to reflect changes in our business operations which now fall within the scope of our SBT. We will do this in 2024.



### Scope 1 (including biogenic)

= We have met our 2030 target

○ biogenic ● non-biogenic



### Scope 2

↔ We are behind our target



### Scope 3 – business operations

↔ We are ahead of our target



### Scope 3 – other

∅ Not included in current target. (We need to include 67% of emissions only.) Will be included in recalculated target.

○ general ○ one-off purchase





## LOOKING AHEAD

*In 2023 and 2024 we will continue to focus on the activities identified in our materiality assessment on page 12.*

On pages [16](#) and [17](#) we have indicated specific targets that we will carry over into the next two years.

We will also:

- do more work to adapt our structures, systems and processes to support our growing business, team and clients
- recalculate our science-based target to reflect our projected growth
- establish a start-up or not-for-profit fund to continue to support others who are working hard to create a more sustainable world.





## OUR THANKS

*Thank you to everyone who helped our growing business have an impact in the past two years – a challenging time for everyone.*

The past two years have shown more than ever that we need to change the way we produce and consume, for the health of our planet and of everyone on it. They have also shown how adaptable human beings can be and that change for better truly is possible.

thinkstep-anz acknowledges and pays respect to the past, present and future Traditional Custodians and Elders, and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.

## Thank you to:

- Our talented, hard-working team in Australia and Aotearoa New Zealand
- Our valued clients around the world
- The clients and external stakeholders who contributed to our materiality assessment and allowed us to profile them in our case studies
- Our business partners, including the organisations we belong to
- Our suppliers
- Our media partners
- Everyone in the sustainability community who built their knowledge (and helped us learn too!) by joining us for a webinar, reading a blog or inviting us to speak at an event
- Stuff.co.nz and their daily quizzes for helping us stay connected through our Covid-19 lockdowns and beyond
- Everyone in our team who contributed to this report
- The talented photographers among our clients, fairshare photography partner Excio, and Unsplash for the photos in this report

We would also like to acknowledge the essential workers, health professionals, researchers and community leaders who kept our countries going through Covid-19.

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



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

*we succeed together!*



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