



# BANKER COUNTS its carbon

Westpac New Zealand is the first bank globally to gain CEMARS – accredited proof it is reducing its carbon footprint. What are the benefits and costs of taking a voluntary lead on the climate change front? by Vicki Jayne

In what is a world first for the banking sector, Westpac NZ recently announced it had achieved a milestone in sustainability by gaining certification with CEMARS – the Certified Emissions Measurement and Reduction Scheme. It's a scheme that sets the standard in benchmarking for organisations serious about making a positive difference to their impact on the environment, explains the bank's acting chief executive Bruce McLachlan.

"The scheme only launched [last] October and we're the first bank in the world and first major company in New Zealand to achieve certification – that's something we're very proud of."

As its name suggests, the scheme is not just about determining the size of an organisation's footprint but about shrinking it.

"We're pursuing reduction not offset," says McLachlan.

The level of reduction Westpac NZ has targeted is 20 percent. That means knocking its baseline of CO<sub>2</sub>e per active customer down from the current level of 12 kilograms to 9.3 kilograms by 2012. Specifically that involves reducing the electricity component (its biggest carbon impost) from 7450 tonnes to 6705, air travel from 2796 to 2237, paper from 1300 to 1040, and its car fleet from 1640 to 984, as well as reducing waste, and accommodation emissions.

And it won't stop there – McLachlan makes it clear that this is a space in which the bank wants to take ongoing leadership because it makes good business sense both in terms of reducing costs and enhancing its brand image with customers and employees.

So what exactly is CEMARS?

It may be a local brand, developed in New Zealand by [Landcare Research](#), but CEMARS is now a globally recognised product and an export in its own right. Having been successfully trialled in the United Kingdom, it is currently being rolled out to 32,000 clients across 24 countries by [Landcare Research](#) partner Achilles Information. Based on the principles of the "gold standard" in carbon measurement – the GHG (greenhouse gas) Protocol – its accreditation by JAS-ANZ (Joint Accreditation System of Australia and New Zealand) adds to its global credibility rating.

"It gives organisations like Westpac the framework to measure and manage their carbon footprint and to make a legitimate carbon claim," says [Landcare Research](#) business manager Mike Tournier.

Certification, he says, is the highest form of assurance that the measures put in place are robust and will stand up to scrutiny – an increasingly important issue given the growing consumer cynicism around "greenwash".

The process of measurement is an exhaustive one that had to include the company suppliers – from power companies to paper providers. With 15 corporate sites and 200 branches, the company structure is fairly complex so the process took just over four months – including fairly full-time input from one staff member, says Westpac's head of corporate responsibility Suzie Marsden.

The only real surprise was the discovery that paper accounted for nearly 10 percent of its carbon emissions, she says.

In the final analysis, power supply makes up 53 percent and the proposed 10 percent reduction – through a series of measures ranging from installing energy efficient lighting to encouraging staff to turn off PCs at night – is enough to make the process cost neutral.

"The cost of the process for a small business would be quite considerable, but when you're talking about the scale of an operation like ours, if we reduce our power bill by 10 percent we pretty much get payback within the same accounting period."

It would take longer to achieve payback if the process involved a significant upgrade in heating, ventilation and air-conditioning plant, she suggests. In Auckland that aspect is being met by a two-staged shift into new headquarters which will lead to major efficiency improvements.

"We've undertaken a four star fit-out by Green Building Council standards for our first phase and the second phase is five star," says Marsden.

The company is also working with landlords around the country on improving building insulation and is already making the move to a "greener" car fleet.

While the cost of the process has been mainstreamed, it is self funding, because of the savings involved.

"It's really about producing more with less – reducing energy use by 10 percent while growing the business. To run a sustainable business you have to grow and make money and deliver to all your stakeholders." M

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