



Chia Sisters
Florence Van
Dyke, left and
Chloe Van Dyke
have earned a
carbon zero
status.
BRADEN FASTIER/
STUFF

Creating a climate change strategy for your business

Katrina Kidson

As a business manager how do you plan for climate change? It's the gravest threat to business according to the World Economic Forum's 2019 report. What are the challenges and opportunities for your business?

Considering any issue early means that it will be easier for you to respond. Not only that, the opportunities are large. The Sustainable Business Network's research, carried out with Auckland Tourism Events & Economic Development, shows Auckland could be \$3.8 billion better off in 2030 if the city makes the transition to a low carbon circular economy. Their report identifies opportunities for food, transport and the built environment.

What are your customers and staff thinking?

Kiwis are already prioritising for climate change in their decision making. A Victoria University survey of 9000 New Zealanders showed 74.5 per cent said they'd already made some sacrifices for this. Also 90 per cent of those taking part in the 2018 Colmar Brunton national survey "Better Futures" agreed that if a company is "irresponsible or unethical, I'd stop buying their products or using their services".

Internationally, nearly 90 per cent of adults are willing to change their personal behaviour to help tackle climate change. This was the finding of a survey of 14,000 adults from 14 countries completed for IKEA. Your business's response will also affect your ability to hire and retain staff. In New Zealand, 86 per cent of those surveyed by Colmar Brunton agreed that "It is important for me to work for a company that is socially and environmentally responsible."

Legislation is coming

A "Zero Carbon Act" is expected to come into force late this year. The current draft has targets to reduce all greenhouse gases. Methane has a 2030 target reduction of 10 per cent, and a provisional target of 24-47 per cent reduction by 2050. All other greenhouse gases have a target of net zero by 2050. The costs for a business to emit greenhouse gases are certain to rise.

Expecting leadership

As a society we are expecting business to show leadership on climate change. From the 2019 Edelman Trust Barometer survey, 76 per cent of people said CEOs should take the lead on change, rather than waiting for government to impose it – an 11-point increase from last year.

Business is changing

Even in the USA, business is no longer just about shareholder returns. The Business Roundtable issues Principles of Corporate

Governance. Since 1997 the principles have stated that corporations exist principally to serve shareholders. Radically changed in August 2019, the business goals now include creating "value for customers," "investing in employees," "dealing fairly... with suppliers," "supporting communities," and "protect[ing] the environment."

What can your business do?

First, measure your footprint. As management expert Peter Drucker said: "What gets measured gets managed." Your main emissions are likely to be from fuel, flights, power, vehicles, freight and waste. If you are farming, methane may be a part too.

There are free online calculators. For support and independent verification, businesses such as Ekos and Enviro-Mark Solutions can help. For small businesses, measurement can be just a few hundred dollars with Ekos – a good investment to understand your emissions.

Once you know where your emissions are, then you can look at how to reduce them. Can you use video for some meetings rather than flying? Where can you reduce waste? Could your next vehicle replacement be electric? Most of these options come with the additional benefit of cost savings.

Finally, you can offset any carbon emissions you can't avoid. There are many examples of firms making efforts in this space, to look to for inspiration.

At one end of the scale The Warehouse Group is now certified as carbon neutral. The company states, "As New Zealand's largest retail group, we have an ethical obligation to act now."

At the other end of the scale is the Chia Sisters, creating nutritious beverages in Nelson. As part of the company's policy to include the environment as a true cost of doing business they've offset 120 per cent of their emissions, to be 'climate positive'.

"It is important that our business is a voice for sustainability," founder Chloe van Dyke says.

Being certified and offsetting emissions cost their business about \$1000. Chia Sisters have been overwhelmed by the positive response, with domestic sales growing by 50 per cent since they became certified.

You're not alone

Response will take a community-wide effort, so let's share and learn from others. Talk to your team – they know your business and can help with ideas. Talk to your industry and local business community; support sector-wide leadership.

Start now

Your customers and employees are already thinking about climate change. How is your business responding?

Putting your head in the sand on this issue is not a reasonable strategic response. Your approach doesn't need to be perfect, but you do need to act.

* Katrina Kidson is a business coach, focused on creating business advantage through happiness at work. She is also a Business Connector for the Sustainable Business Network.

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This story is part of **Covering Climate Now**, a global collaboration of more than 250 news outlets to strengthen coverage of the climate story.