

5th K. Kumarasivam Memorial Public Lecture 2008

27th August 2008, Wednesday

East VIP Lounge,
Kuala Lumpur Golf & Country Club (KLGCC)

Organised by:



Village Green Environmental Solutions



Outline

1. Welcome
2. Who is Village Green
3. Business Challenges
4. Quadruple Bottom Line Approach
5.
6.
7. Corporate Social Responsibility
8. Case Study
9. Opportunities
10. Closing remarks

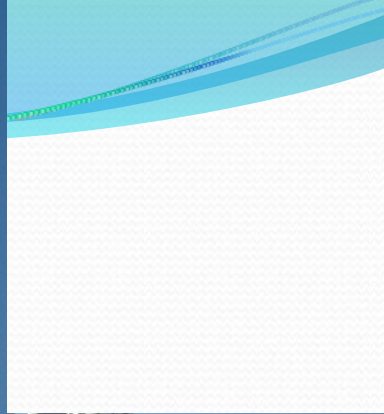
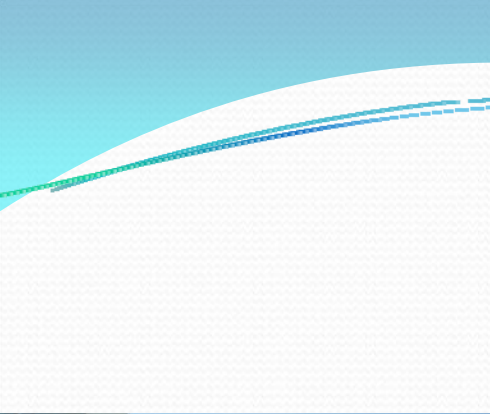
Who is Village Green

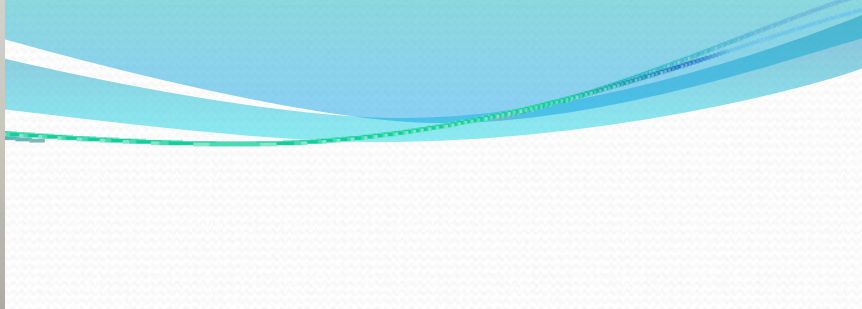
- Established in 2002
- Pioneered Environmental Reporting for Business in an unaware market
- Specialists in Environmental Reporting, Advisory and Behavioural Change
- Australian Owned with offices in Australia, U.S., Ireland, Malaysia, UAE.
 - Expanding to Canada, China, Germany
- Leading environmental solutions provider – conducted over 3000 audits
- Globally recognised reporting tool for Carbon analysis and trading
- High level dialogue with Governments worldwide

Village Green provides advisory, reporting and education to support a better business and improved bottom line performance









Business Challenges

Compliance

- Significant consequences for non conformance
- Unclear resource allocation
 - strategy
 - implementation
- Urgent, not the full story

Above the line activities

Bottom line – saving money

Below the line pressure

Risks

- Increasing resource costs
- Brand/Reputation
- Employee Engagement

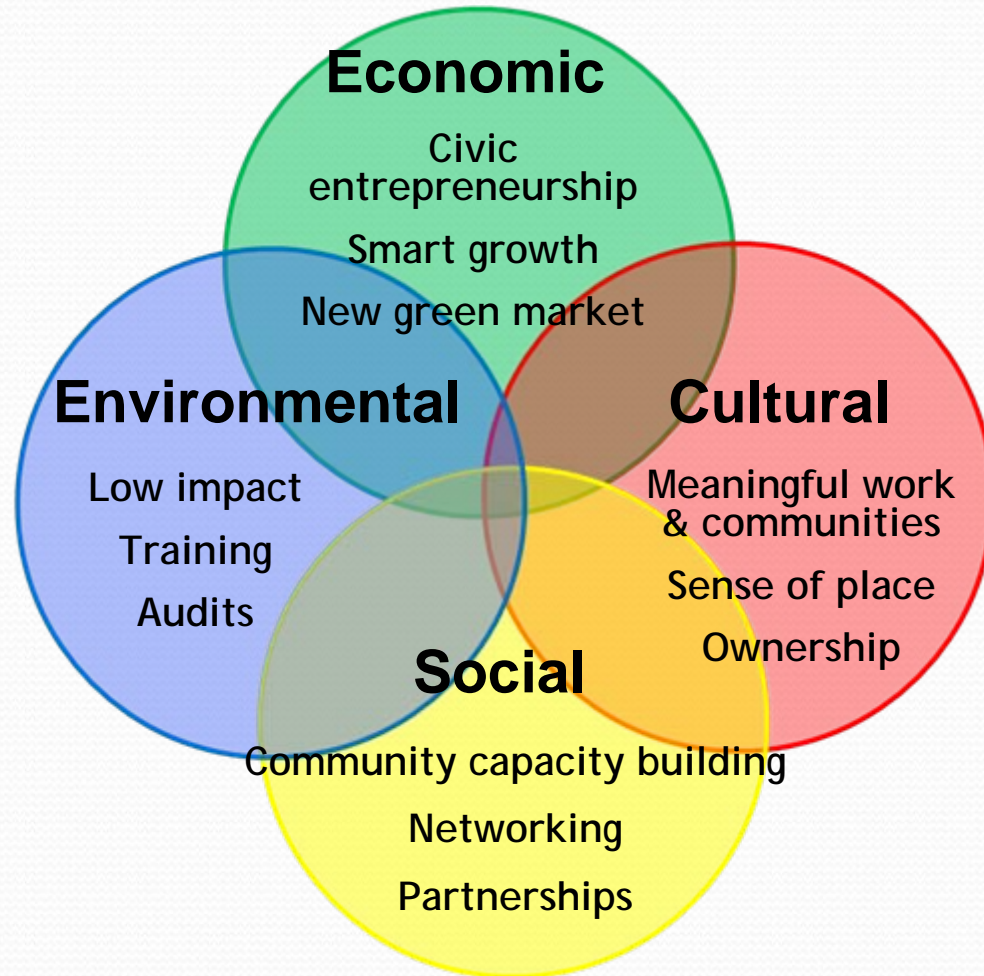
Business Strategy

- Demand for Constant Innovation
- Business Efficiencies
- Business Enhancement

Village Green is focused to deliver commercial drivers



Quadruple Bottom Line Approach



By focusing on:

Behaviour Change:

Change systems and mindsets relating to;

- Business Management
- Community activation
- Environmental impact

Cost Savings

From multiple streams:

- Bills
- Energy, Water, Waste, Transport
- Increased staff performance

Increased Community Involvement

Engaged customers.

Reduced Environmental Impact

Energy, Waste and Water. Passed onto customers

Unique Strategic Opportunity

Environmental Management

- Stakeholder Capacity Building
- Bi Annual Environmental Assessment and Review
- Environmental Strategic Planning
- Sustainable Marketing concepts

Policy and Procedure

- ESD
- Procurement
- Behavioural change
- Strategic Brand Placement
- Targeted Audience
- Low Cost to Market
- Alignment to Sustainable Living

Implementation

- Compliance
- Staff ownership
- Quality tenancy management
- Cost reduction
- Certification

**Market Leader
in Corporate
Social
Responsibility**

Vision and Mission statement creation.



- **Perception** (Per*cep"tion) (?), n.
[L. *perceptio*: cf. F. *perception*. See Perceive.]
(*Metaph.*) The faculty of perceiving; the faculty, or peculiar part, of man's constitution by which he has knowledge through the medium or instrumentality of the bodily organs; the act of apprehending material objects or qualities through the senses; -- distinguished from *conception*. Sir W. Hamilton.

"We don't see things as they are, we see things as we are."

Background

- What is Corporate Social Responsibility

Definition;

Operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business. Social Responsibility is a guiding principle for every decision made and in every area of a business." (Business for Social Responsibility, USA)

“Pursuing Sustainable Business management makes your business more competitive, more resilient to shocks, nimbler in a fast-changing world, more unified in purpose, more likely to attract and hold customers and the best employees, and more at ease with regulators, banks, insurers, and financial markets.”

**World Business Council for Sustainable
Development**

BREAKDOWN:
community
dysfunction, poverty

TRANSITION:
a change in the
political landscape globally

BREAKTHROUGH:
forward focused
management

**NEW BUSINESS
PARADIGM:**

Building strategic partnerships - business,
government, community-sharing skills/
resources

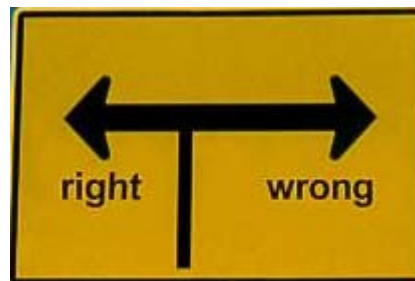
Context for CSR – The Changing Times



What should companies do?

Principles for Corporate Social Responsibility

- Accountability and transparency
- Community Engagement
- Ethics



- Governance



- Employment Practices



- Consumer relations



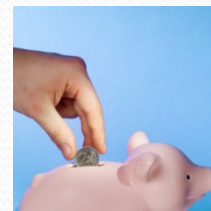
- Environmental protection



- Social responsibility



- Financial management



- Commitment to continuous improvement



Nine stage process for Corporate Social Responsibility – Strategic Outline (CSR-SO)

*Step 1:
SCOPE*

*Step 2:
UNDERSTAND
ORGANISATION*

*Step 3:
LITERATURE
REVIEW*

*Step 4:
FACILITATION*

*Step 5:
TARGETS*

*Step 6:
OUTCOMES
(results of targets)*

*Step 7:
CSR
PROCESS
READY*

*Step 8:
CSR
CERTIFICATION
READY*

*Step 9:
REVIEW*

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Step 7:
C
PRO
RE

Step 2: UNDERSTAND ORGANISATION
Organisational structure: breakdown of personnel within Facilities
Stakeholders
'Location' of CSR - SO
Existing policy
Motivations: why do you want this? Compliance, CSR readiness, 'visibility', internal strengthening etc
Principles (as per Strategic Plan)

Nine stage process for Corporate Social Responsibility – Strategic Outline (CSR-SO)

Step 1:

Step 2:

**UNDERSTAND
SITUATION**

Step 3:

**LITERATURE
REVIEW**

Step 4:

FACILITATION

Step 3: LITERATURE REVIEW

OH/S

Annual Report

Organisational statements

EIP's

Worldwide Institutional Best Practice

Environmental Policy

Charter

Mission

Statutory Requirements

(results of targets)

Step 7:

**PROCESS
READY**

Step 8:

**CSR
CERTIFICATION
READY**

Step 9:

REVIEW

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Step 4: FACILITATION
Working party

Quantify targets: ↓ gHg emissions, ↓ water usage, ↓ waste generation, ↑ staff acceptance and awareness levels, supply chain conformance, best practice, policy integration, beyond compliance, carbon off-setting.

*Step 7:
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Step 4:
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Step 5: TARGETS
TBA
Eg: increase staff awareness levels by X%

Step 5:
TARGETS

Step 6:
OUTCOMES
(results of targets)

Step 7:
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REVIEW

Nine stage process for Corporate Social Responsibility – Strategic Outline (CSR-SO)

Step 1:
SCOPE

Step 2:
UNDERSTAND
ORGANISATION

Step 6: *OUTCOMES* (results of targets)
TBA

Eg: enhanced acceptance and adoption of environmental and social issues and increased feeling of community within organisation.

Step 5:
TARGETS

Step 6:
OUTCOMES
(results of targets)

Step 7:
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Step 1:

Step 2:
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SITUATION

Step 3:
LITERATURE
REVIEW

Step 4:
FACILITATION

Step 7: CSR PROCESS READY

Step 5:
TARGETS

Step 6:
OUTCOMES
(results of targets)

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Nine stage process for Corporate Social Responsibility – Strategic Outline (CSR-SO)

Step 1:
SCOPE

Step 2:
UNDERSTAND
OF

Step 3:
LITERATURE

Step 4:
FACILITATION

Step 8: CERTIFICATION READY
Comparison of quotes by CSR certification
providers

Step 5:
TARGETS

Step 6:
OUTCOMES
(results of targets)

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Step 9: REVIEW
If certified, (eg: Reputex) ongoing costs will be incurred: annual licence fee and surveillance visits.

Case Study

It's all about the \$\$\$\$\$\$\$\$\$\$\$\$\$

A small ice cream shop changed the way they use their devices.

Today they are saving over \$400 per month in energy costs.

Previously they spend approx \$14000 per annum, now saving over 34% (\$4800) in direct energy expenditure.

This is the same as trying to earn over \$19200 in gross revenue.



Case Study

Lugarno Pharmacy

Warren is saving 500kL of water per quarter through the audit and bill comparison, which was able to identify a leaking toilet



Kangaroo Island *towards sustainability* Programme 2007 ~ 2008



Energy Estimate	Assessment A	Assessment B	Net Savings*
Total Spend on Gas and Electricity p.a.	\$ 347,174.66	\$ 297,706.35	\$ 49,468.31
Total Quantity p.a.	3,013,500.43 kWh	2,540,847.90 kWh	472,652.54 kWh
Total ghg emission p.a.	2,295,212.70 kg	2,027,936.87 kg	267,275.84 kg
Total bio-diverse trees required	11,244.40 trees	9,480.78 trees	1,763.63 trees
Total land required	24.52 acres	20.68 acres	3.80 acres
<i>Average Saving for Energy Per Business</i>			\$ 1,301.80

Water Estimate	Assessment A	Assessment B	Net Savings*
Total Spend on water p.a	\$ 16,484.20	\$ 15,829.27	\$ 654.93
Total Consumed p.a.	17,609.28 kL	16,867.25 kL	742.03 kL
Olympic Pools Equivalent	7.04	6.75	0.30
<i>Highest Consumption Sector</i>	Accommodation	Accommodation	
<i>Average Saving for Water Per Business</i>			\$ 17.24

Combined Financial Estimate	Assessment A	Assessment B	Net Savings*
Total Spend on Energy and Water p.a.	\$ 363,658.86	\$ 313,535.62	\$50,123.24
Total Business Expenditure p.a.	\$ 547,519.60	\$ 492,461.11	\$55,058.50
<i>Average Saving Per Business(including waste and transport)</i>			\$ 1,448.91

Please note that the values displayed for water and energy are estimates based on assessment data.



Case Study



- ❑ A fast food take away SME in a food court
- ❑ A decrease in energy use by 28.5%
- ❑ A decrease in associated greenhouse gas emissions by 30.1
- ❑ A direct energy cost saving of \$1,855.52. (based on a gross profit figure of 75%, the business would need to generate \$7422.06 in net revenues per annum to achieve that amount of profit needed to pay the energy bills.)
- ❑ Behavioural changes in product and direct cost management have significantly reduced the cost of goods sold
- ❑ Chemical usage reduction has also been reported at 20%.
- ❑ **OVERALL COST SAVINGS OF \$300 PER WEEK.**
- ❑ **OR A TOTAL SAVING OF \$15,600p.a.**
- ❑ **OR \$62,400p.a. IN GROSS REVENUE SAVED INCLUDING LABOUR REDUCTIONS.**

Case Study

Lighting		
Action	GHG saving	\$\$\$ Saving
Install lighting sensors (floor & storeroom combined)	262,821kg	\$20,130
Replace 50W Halogen lighting with 35W	179,544kgs	\$15,030
Remove decorative lighting at QV	92,256kg	\$8,440
Delamp T5 lighting by 25% at QV	207,608	\$18,993
Replace T8 fluorescent tubes with T5 fluorescent at Sydney and Vic Gardens	474,951	\$29,415
Replace 21watt exit lights with slimline exit lights	37,314kgs	\$2,221
Subtotal	1,254,494kg	\$94,229
Total Energy Savings	1,529,479	\$165,381

Electricity		
Action	GHG saving	\$\$\$ Saving
Turn computers & printers off standby	154,594 kg	\$16,245
Power management features on all workstations	38,500kg	\$48,125
Remove Fax machines and use Fax function on MFC's	14,990 kg	\$1,057
Install timers on Hot Water Services	13,696kg	\$1,258
Place vending machines on timer	36,184kg	\$3,033
Turn electric whiteboards off standby	17,021kg	\$1,434
Subtotal	244,985kg	\$71,152

Case Study

Action	kL savings	\$\$\$ Savings
Install flush regulators	4,099.66	\$4,324
Install flow restrictors to 4.5L in all bathroom taps	372.58	\$393
Install flow restrictors to 4.5L in all tearoom and teapoint taps	1,007.81	\$1,063
Install water saving showerheads to 7.5 litres at QV	657	\$1,324
Replacing all single flush cisterns with dual flush 2/4L	3,109.5kL	\$2,891
Total Water Savings	9,216.55	\$9,995

**Total Savings for
first 12 months:
AU\$175,376**

Opportunity

- 1 *Create a partnership with an existing Business and Government*
- 2 *Build new capacity of skills and create new employment opportunities locally*
- 3 *Demonstrate best of breed activities to the region*
- 4 *Create strong business \$\$ savings*
- 5 *Reduce environmental impacts*

Who is the main person to
create Environmental Change
in your workplace?

Thank You



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