

Emissions Management and Reduction Plan

CEMARS and the carboNZero programme

Inzide Commercial Ltd

Person responsible: Steve Aschebrock and Robb Donze, Directors, Inzide Commercial Ltd

Prepared by: Jenny Forrester, Accountant, Inzide Commercial Ltd

Dated: March 2017

Version: 1.0

Verification Status: Unverified (pre-audit)

For the period: 1 April 2016 to 31 March 2017

Base year: 1 April 2007 to 31 March 2008





Approved for release by:

A handwritten signature in blue ink, appearing to read "S. Aschebrock", is written over a light blue horizontal line.

Steve Aschebrock



Contents

1	Introduction	4
2	Rationale	4
3	Top management commitment	4
4	Person responsible.....	4
5	Awareness raising and training.....	4
6	Significant emissions sources.....	4
7	Targets for emissions reduction.....	5
8	Specific emissions reduction projects.....	8
9	Unintended environmental impacts	9
10	Key performance indicators.....	9
11	Monitoring and reporting	9
12	Emissions reduction calculations	9
13	Performance against plan	10

1 Introduction

This report is the annual greenhouse gas (GHG) Emissions Management and Reduction Plan prepared for Inzide Commercial Ltd and forms the manage step part of the organisation's application for Programme certification.¹²

2 Rationale

Our decision to be sustainable is about looking after the planet for the children that follow us. We are only borrowing the earth's resources. Ray Anderson, the man behind our major product, Interface carpet tile, realised in the 90's that he was making the world worse not better. He then set about to change that.

At Inzide Commercial we committed to the Interface ethos and ensure all our products are climate neutral. Our goal is to eliminate any negative impact our company has on the environment by 2020. We now include one product range which is a carbon sink.

3 Top management commitment

INZIDE Commercial Ltd is committed to excellence in financial, social and environmental performance and acknowledge that the three combined drive company growth, increase profitability and reduce impacts that contribute to climate change. To be clear, separating the three in any decision making is detrimental to the performance of the whole organisation.

We have also implemented an end of life solution for our carpet tile, with a NZ Government accredited recycling scheme. Currently none of our competitors have joined us but closing the loop is a great achievement.

4 Person responsible

Steve Aschebrock is driving and responsible for the overall emission reduction performance.

5 Awareness raising and training

Performance of the whole organisation is based on sustainability. Our main product range has sustainability as its core business principle. We keep it as a key point in all staff meetings, our sales staff regularly attend Green Building Council seminars. Our managing director is now on the board of Green Building Council. We have an education fund available to any staff member who wishes to attend training. We actively promote the reasons why interface tile and marmoleum are so good from a sustainability perspective.

6 Significant emissions sources

¹Throughout this document 'emissions' means 'GHG emissions'.

²Programme means the Certified Emissions Measurement And Reduction Scheme (CEMARS) and carboNZero certification programme.

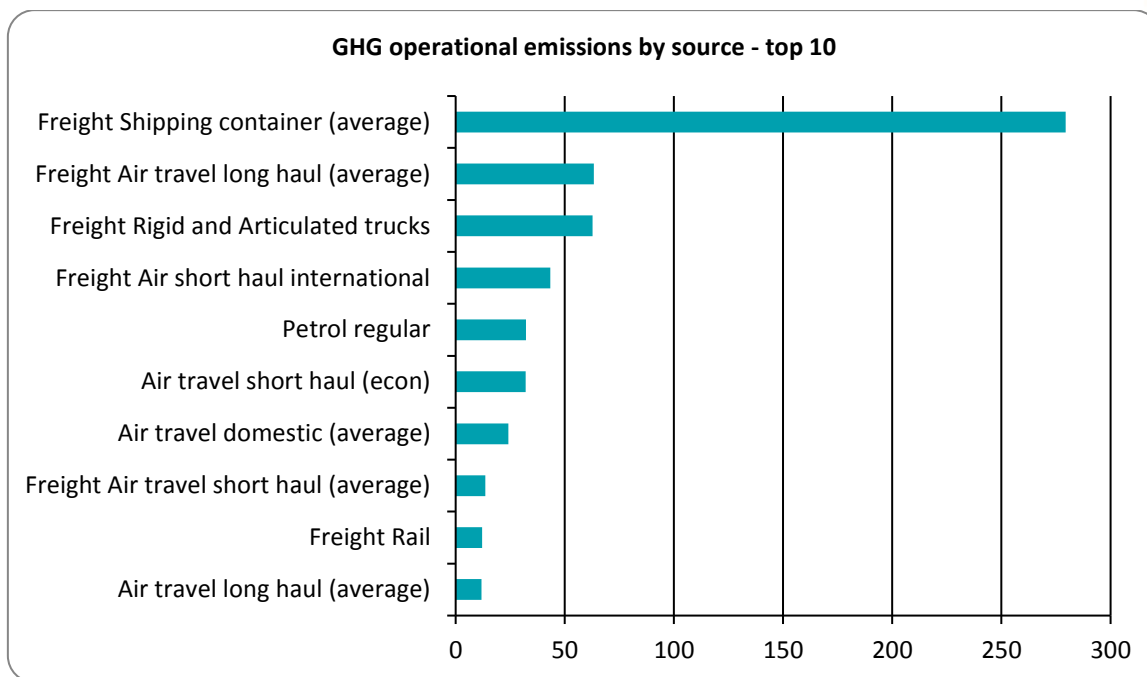


Figure 1: GHG emissions by source.

Air freighting our product into New Zealand causes the most intensive kg/co2/m². We look closely at total carbon and at our carbon intensity, both easily affected by air freight.

Our base year was 288 tonnes of carbon, last year was 493 tonnes. This year it is 595 tonnes. In 2017 we sold 91% more stock compared to our base year. 2017 included 15% of our mix being imported from Europe. Our base year had no imports from Europe. Our carbon intensity is only slightly over base year on a m² basis.

We are using national rail wherever possible. We send shipments early, making rail more useable as it does take longer to get to the destination. From November 2016, the Kaikoura earthquake has eliminated rail as a possibility for any dispatch south of Blenheim.

We also hope to reduce our distribution carbon by relocating our warehouse south of the bridge. This will save approximately 50km of transit for each shipment and consolidate all our stock under one roof allowing consolidation of customer shipments. We continue to strive to have project stock delivered to the closest port of project even though this may mean utilising less than full containers.

7 Targets for emissions reduction

The organisation is committed to managing and reducing its emissions in accordance with the Programme requirements. Table 1 provides details of the emission reduction targets to be implemented. These are 'SMART' targets (specific, measurable, achievable, realistic, time-constrained).

We are continuously striving to develop internal initiatives to allow our staff to become more aware and participate in more environmentally acceptable practices. Key initiatives to date are:

- ensuring the most carbon efficient sales vehicles are purchased upon replacement - this currently is the Toyota Prius.
- public transport is used wherever possible on staff events and conferences.
- ensuring that recycling/re-use bonuses are provided each year for the sales team
- offsetting carbon emissions for staff travel to and from work



- leading by example, conducting business within our offices with a very minimal footprint. Composting organic waste and recycling non-organic.
- ensuring that when accurate, timely project information is provided, stock is pre-purchased ahead of the tender process. This ensures stock is shipped, minimalising the use of airfreight.

Table 1: Emission reduction targets.

Emissions reduction initiative	Target	2017 result	Baseline	Target date	Metrics/KPI	Responsibility	Rationale
			(tCO ₂ e)				
Reduce airfreight of stock	Under 10t CO ₂ e	31	106	annual	CarboNZero	Steve	
Carbon Intensity below 1.2kg/CO ₂ /m ²	1.2kg/CO ₂ /m ²	1	1	annual	CarboNZero	Jenny	Achievable through the application of reduction projects discussed further below. The selection of an intensity based metric reflects the intended fluctuations in business growth
Promote RE-entry and CEMO - recycling old tile	60,000m ²	5,000m ²	0	annual	Accredo	Steve	No impact on our emissions but a real way to help reduce our country's carbon footprint. It is crucial, as we are an island nation and need to reduce synthetic product ending up in NZ landfill. We have the capability to export our old interface carpet tile offshore for recycling into new tile.

8 Specific emissions reduction projects

In order to achieve the reduction targets identified in Table 1 specific projects have been evaluated to achieve these targets. These are detailed below.

Vehicle Fuel use - we are using late model Toyota Prius as company vehicles. These are driven with as much trip planning as possible. We have a company policy to review vehicle technology to ensure the Prius remains the optimum vehicle to use, we are eagerly awaiting an electric vehicle that has adequate range.

Air freight - this is largely customer driven but we do undertake airfreight on our own behalf. We need to eliminate the need for this.

Table 2: Projects to reduce emissions.

Objective	Actions	Responsibility	Completion date
Reduce road freight	Relocating warehouse to close by the Auckland Airport. Eliminating the need to transport stock to a North Shore warehouse	Director of Operations	1/01/2018
Air freight	Reviewing customer services procedures to reduce errors requiring immediate product	Director of Operations	Ongoing
Rail freight	Ensure whenever possible in North Island projects, that rail is used to get the stock to the nearest terminal to the project.	Director of Operations	Ongoing
	Using rail in South Island is currently unavailable due to Kaikoura earthquake		

Table 3: highlights emission sources that contributed to poor data quality in the Emissions Inventory Report and describes the actions that will be taken to improve the data quality in future inventories.

Carbon data capture is done with established procedures. They should continue effectively for the next 3 years.

Table 3: Projects to improve data quality.

Emissions source	Actions to improve data quality	Responsibility	Completion date
Waste	Implement data gathering of our waste	Jenny Forrester	1/03/2018

The emissions inventory identified various emissions liabilities. Table 4 details the actions that will be taken to prevent GHG emissions from these potential emissions sources.

Table 4: Projects to prevent emissions and reduce liabilities.

Emissions source	Actions to reduce liabilities	Responsibility	Completion date
Air Conditioning	Regular servicing	Managing Director	Ongoing

9 Unintended environmental impacts

We are not aware of any unintended environmental impacts associated with our planned projects for reducing emissions.

10 Key performance indicators

Table 5: KPIs.

KPI	2009	2010	2011	2012	2013	2014	2015	2016	2017
Turnover/revenue (\$Millions)	11.34	11.64	14.09	15.16	11.86	12.20	12.00	15.69	17.10

Table 6: GHG emissions per KPI.

Total gross GHG emissions per Turnover/revenue (\$Millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total gross GHG emissions per Turnover/revenue (\$Millions)	27.84	30.07	27.05	26.49	28.27	34.62	40.66	31.46	34.83
Total mandatory GHG emissions per Turnover/revenue (\$Millions)	27.84	30.07	27.05	26.49	28.27	34.62	28.44	29.82	29.64

11 Monitoring and reporting

All projects are monitored monthly to see if small shipments can be consolidated for port of project direct deliveries or coastal shipping.

Any possible container consolidation is part of the KPI's of the purchasing clerk.

Airfreight is reviewed each time it occurs to ensure procedures are updated to eliminate a future need.

12 Emissions reduction calculations

Table 7: GHG inventory results.

	2009	2010	2011	2012	2013	2014	2015	2016	2017
Scope 1	34.39	29.81	30.27	27.84	28.29	28.65	32.55	37.84	33.77
Scope 2	8.42	5.08	6.14	6.64	13.43	9.15	7.72	10.51	7.38
Scope 3 Mandatory	272.94	315.17	344.72	367.12	293.55	384.57	300.97	419.54	465.68
Scope 3 Additional	0.00	0.00	0.00	0.00	0.00	0.00	146.68	25.70	88.69
Scope 3 One time	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total gross emissions	315.76	350.07	381.12	401.60	335.26	422.37	487.93	493.60	595.52
Reporting reductions									

	2009	2010	2011	2012	2013	2014	2015	2016	2017
5-year average (tCO ₂ e)	315.76	332.91	348.98	362.14	356.76	367.70	396.39	420.31	456.05
5-year average (tCO ₂ e) (scope 1 & 2)	42.82	38.85	38.04	37.15	38.06	38.02	37.59	39.84	40.63
Emissions intensity reductions									
Turnover/revenue (\$Millions)	11.34	11.64	14.09	15.16	11.86	12.20	12.00	15.69	17.10
GDP deflator values Yr1 prices (assumed)									
Adjusted turnover (\$M)									
Emissions intensity (tCO ₂ e/\$M)	27.84	30.07	27.05	26.49	28.27	34.62	40.66	31.46	34.83
5-year average emissions intensity (tCO ₂ e/\$M)	27.84	28.96	28.32	27.86	27.95	29.06	31.19	31.42	32.72
Percentage change in absolute emissions	(no data)	10.87	8.87	5.37	-16.52	25.98	15.52	1.16	20.65
Percentage change in emissions intensity	(no data)	8.01	-10.06	-2.06	6.71	22.47	17.45	-22.63	10.70

13 Performance against plan

Our targets were particularly ambitious. Reducing our carbon intensity proved only be possible in a depressed market. Our volumes are currently increasing and aiming to maintain our carbon intensity at 1.2kg/CO₂e is a realistic target.