



# Bank Sustainability



**5 key solutions to a 400% productivity increase.**

The Footprint Company has completed over 800 retail life cycle assessments. We have analysed the data to provide insights on trends, performance and improvement opportunities.

In this research note we focus on the retail banking sector and the apparent tale of two halves – between the improvements in their corporate head quarters versus the lag in retail branches.

The trend to on-line banking and customer demands driving shorter refresh cycles is an economic and ecological risk to banks. With the average bank branches being 2 to 4 times more carbon intense than is possible – banks are failing to “walk the talk” on sustainability.

We provide insight into the top 5 areas of improvement. Speak to us about how we can assist deliver these for your designs.

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# Overview

In the last decade banks have contributed to a major shift in public perception of their role in society. They have been moving away from being seen as reactive and defensive to being more environmentally and socially conscious. CSR programs have been focussed on head office activities and a reliance on purchasing carbon offsets as a pathway to carbon neutral. This strategy costs money without necessarily delivering real environmental improvement. The trend to on-line and tighter profit margins puts a spot light on the role of bank branches to deliver real ecological and economic improvement.

There are over 6,200 bank tenancies in Australia. The average bank tenancy has about 2 TCO<sub>2</sub> / m<sup>2</sup> embodied in its materials and furniture and 150-180 kg CO<sub>2</sub>/m<sup>2</sup> in operating carbon footprint and a five year life cycle. Both attributes are two to four times greater than possible.

The on-line banking move and shorter churn times means most fitouts are redundant well before their technical life span is reached.

Over \$45 million dollars of cost saving could be unlocked each year for the banking sector if best practice fitout designs were consistently delivered.



# Headlines

The trend to on-line banking and customer demands driving shorter refresh cycles is an economic and ecological risk to banks. With the average bank branch being 2 to 4 times more carbon intense than is possible – banks are failing to “walk the talk” on sustainability. Demanding demonstrably lower carbon design solutions is a “must do” to reduce risk and improve profitability.

**>\$45M  
per annum**

The average energy intensity of branches is 2-3 times that of their corporate offices. This reflects in operating cost. \$45m may not seem much but means that each branch is wasting \$4-5,000 per annum in energy costs alone.

**>2 T CO<sub>2</sub>  
Embodied / m<sup>2</sup>**

Reducing the embodied carbon footprint of designs leads to a reduction in cost (\$500-1,000 / m<sup>2</sup>). The difference between the best and worst designs is 100%. Designing low embodied carbon tenancies is an investment which has immediate dividends.

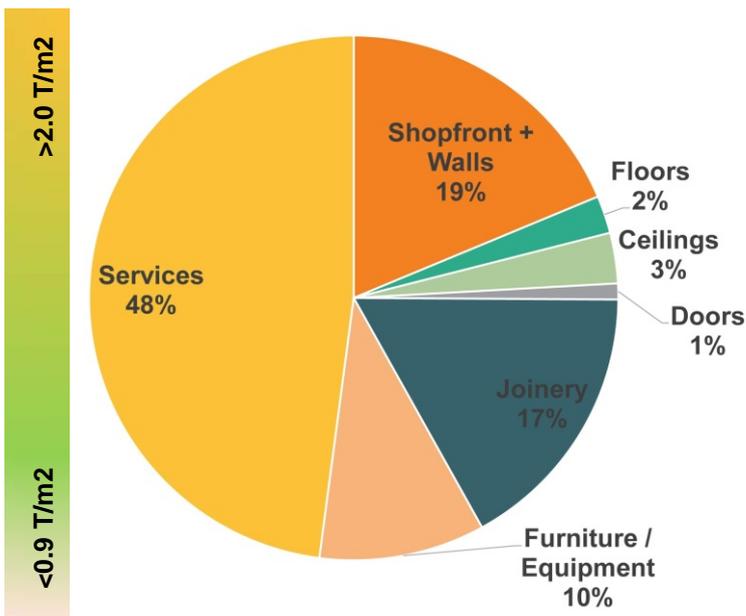
**>150 kg CO<sub>2</sub>  
Operating / m<sup>2</sup>**

The trend to more ATM's and electronic media is driving energy use up. Energy efficiency in office space has been improved 2-3 times in the last decade with focus. These same productivity gains are not translated in branch design, but can be.

**400%  
potential**

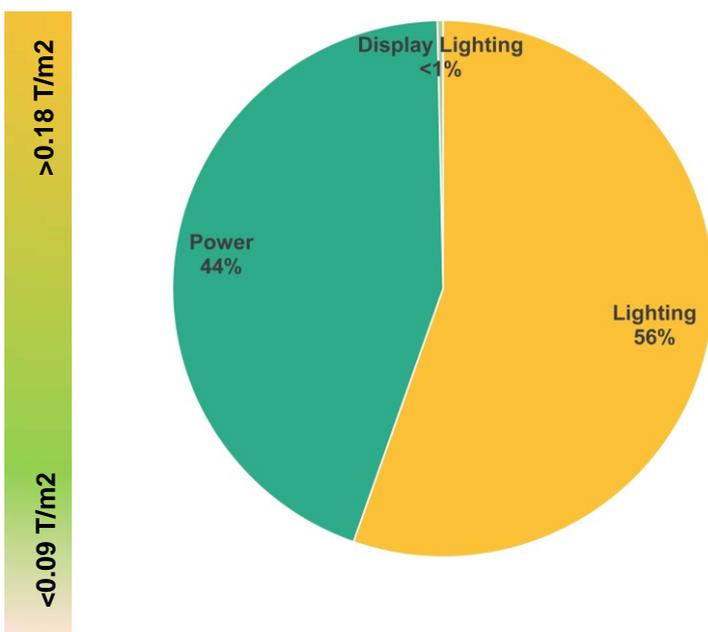
Measured in Planet Equivalent, the best performance for Banks is 0.5 Planets per branch – a sustainable level. The worst ~ 2.0. The opportunity exists to deliver true sustainability at the customer interface and improve profitability also.

# The carbon footprint



## MATERIALS FOOTPRINT

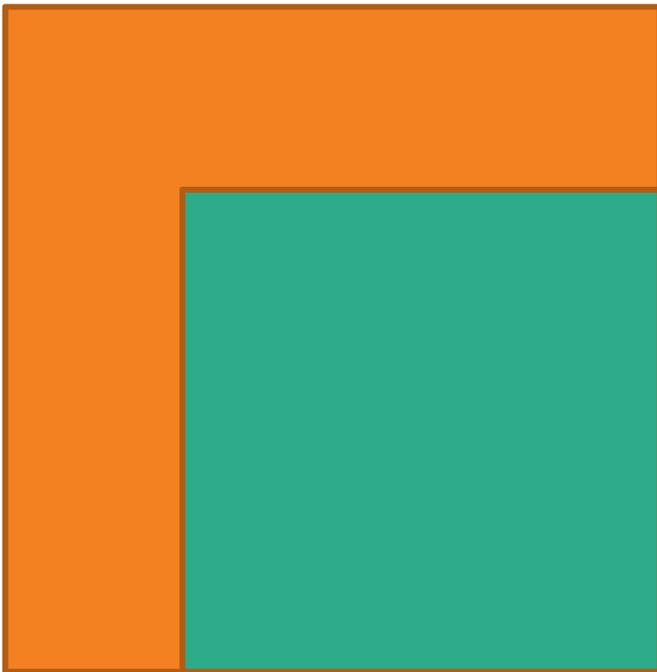
- Ave. embodied footprint is 2.0 T CO<sub>2</sub> / m<sup>2</sup>
- ~ 50% is in services (e.g. air-conditioning and IT).
- ~ 30% is to be found in the custom furniture and joinery – which is almost never re-usable.
- ~20% is in walls and in particular the construction of ATM bunkers.
- The trend of recycled content floor coverings is good, but just adopting these is not a material driver of improvement.



## OPERATING FOOTPRINT

- Operating carbon intensity is 3 times office best practice levels.
- Over half is for lighting. Longer operating hours should trigger a greater focus on good design and efficient technology but it is sadly missing in most designs.
- The power pie is growing with the new generation of ATM's (>7,000 kwh / yr each) and the rise of electronic real-time information. With focus and simple controls this can be largely neutralised.

# The 5 big things

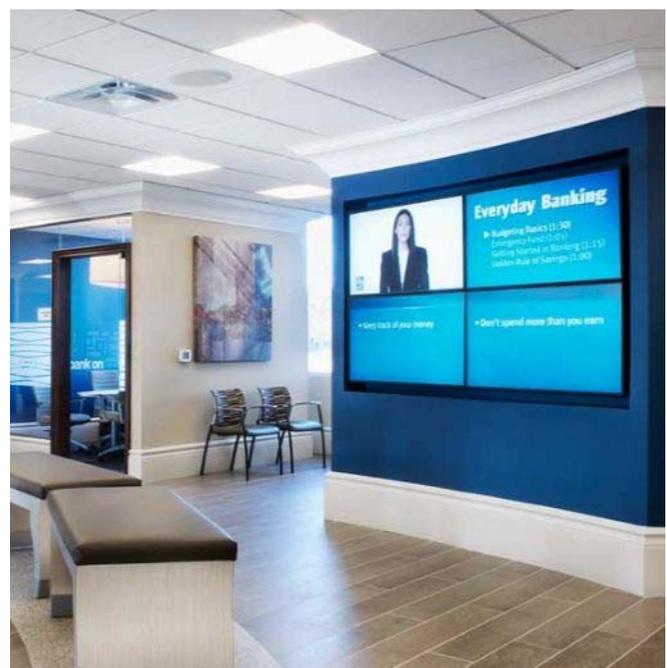


## 1 The Area Diet

The average tenancy area of the Big Four banks is 20% larger than the smaller banks and credit unions. It seems that being more cost conscious is better for the environment also. Adopting a practice of being more space efficient saves cost and carbon in absolute terms. The increase in tenancy churn and on-line banking means investments in “high impact” tenancies is an inefficient investment in ecological and economic terms. Adopting a 20% reduction policy is good business sense.

## 2 Power economising

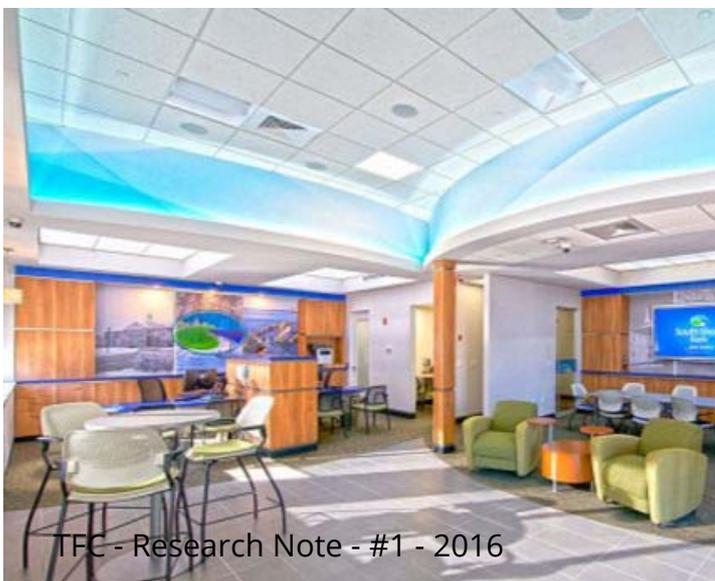
On average, the potential to reduce operating carbon intensity of 100 kg CO<sub>2</sub>/m<sup>2</sup>/a exists. ATMs constitute an increasing percentage of total energy and are never off – even when in internal locations and run only 8 minutes per hour. Only one brand delivers an energy efficient solutions. Adopting best practice equipment and controls – (like those for offices) is the design direction which delivers best practice performance and lowers cost.





## 4 Furniture and Equipment

The trend for brand specific joinery drives embodied footprint and reduces the scope for recycling / re-use at end-of-life. Setting designers the target of re-fresh with existing FFE or requiring a “design for deconstruction” approach has the potential to reduce carbon and cost by 30-40%. Non-recyclable thermoplastic materials (e.g. Corian / Formica etc) should be minimised until there are viable recycling options.



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## 3 Internal Walls

The potential to reduce wall carbon intensity by ~ 300 kg CO<sub>2</sub> / m<sup>2</sup>, (or ~ 60T CO<sub>2</sub> for the average branch) exists with a design focus on low intensity materials and a recycled content approach. ATM bunkers are particularly intense and a pre-fabricated approach has the potential to deliver substantial gains through manufacture and re-purposing at store end-of-life.



## 5 Lighting

The average bank tenancy has a lighting emissions intensity 2-3 times that of best practice. Adopting design practices which have evolved in the office setting over the last few years will ensure that operating efficiency is improved, including light finishes, LED fittings, advanced occupancy linked controls and even simple real-time monitoring systems.

## DEDICATED TO MAKING THE WORLD A MORE ECOLOGICALLY AND ECONOMICALLY PRODUCTIVE PLACE

The Footprint Company are passionate about the built environment and its contribution to the wellbeing of society.

We believe that sustainability done “right” is the delivery of economic, environmental and social gains simultaneously for all stakeholders.

We strive to deliver smart, simple and sustainable outcomes which enable stakeholders to live well within the means of one planet. That’s why Australia’s property leaders and game changing professionals turn to us.

Get in touch to understand how we can enrich the financial and environmental success of your world.

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