

Sustainability Matters

9th June 2016

A fortnightly selection of topical **news and views** about economic, social and environmental issues.
Designed especially for accountants and those who use the services of accountants.

Sustainability Matters is;

- Compiled and published by Ray Skinner of *Sustainability Matters*, providers of specialist services relating to sustainability and business support. **Business achieving a tomorrow for tomorrow's children.**

Singapore Exchange Launches its First Sustainability Index

"The Singapore Exchange (SGX) on Monday [30th May] announced its first ever set of equity indices focused on sustainability, underscoring the growing importance of environment, social and governance (ESG) issues in a region that has been lagging behind its global counterparts.

"The SGX Sustainability Indices, composed of SGX-listed stocks, identify listed companies that meet sustainability reporting requirements and are considered sustainability leaders with established and leading ESG practices.

"Sustainability performance, broadly measured by ESG indicators, has in recent years become a mainstream business issue as consumers worldwide demand increased transparency from businesses and issues such as climate change pose a growing risk to operations.

"In Asia, stock exchanges in countries such as China, Indonesia, Malaysia, India and Japan already have sustainability-related indices in place....

"The launch of SGX newest indices follows recent moves by SGX to raise standards on sustainability reporting. Starting financial year 2017, more than 800 listed companies in Singapore will be required to publish sustainability reports on a 'comply or explain' basis.

More: www.eco-business.com/news/singapore-exchange-launches-its-first-sustainability-index

Source: eco-Business.com, 1st June 2016. ❖

An Inconvenient Truth, Ten Years On

All you wanted to know – and more – about Al Gore's initiative – whether it has had long lasting impacts or not. There has been significant progress on many fronts and in a large number of countries. The risks though remain high with insufficient action to make the changes required to address the complex multi-dimensional inter-connected risks.

More:

www.sciencenews.org/article/changing-climate-10-years-after-inconvenient-truth

www.wired.com/2016/05/wired-al-gore-climate-change/

<http://theconversation.com/ten-years-on-how-al-gores-an-inconvenient>

<http://grist.org/article/an-inconvenient-truth-legacy-van-jones-annie-leonard/>

www.stuff.co.nz/environment/climate-news/80325330/an-inconvenient-truth--what-stacks-up-10-years-on

Source: Carbon News, 31st May 2016. ❖

SUSTAINABILITY GROUP EVENTS

Next event – Date of webcast yet to be 'sorted'.



Announcements in 'due course'. ❖

The Brutal Landscape of the Climate Crisis

"In this [very] long but excellent London Review of Books article, Naomi Klein explains how the fossil fuel and extraction industries are forms of violence to the land and water, to indigenous peoples, and lead to other, more extreme forms of violence. She draws attention to a new study which demonstrates how western drone strikes have followed the 'aridity line' - where there is less than 200mm of rainfall a year - with astounding accuracy.

"Klein calls this the 'brutal landscape of the climate crisis'. She writes of the communities of peoples who have been 'sacrificed' in our pursuit of fossil fuels - those living in the mountains which have been levelled for coal, those in the Niger delta region dealing with a toxic legacy that will last generations; those living in Fort McMurray, ablaze in a region of tar sand mining. This is an angry, yet compelling and highly readable account which we urge you to read. Klein challenges the environmental movement to recognise the impact that green initiatives can have on indigenous peoples.

More: www.lrb.co.uk/v38/n11/naomi-klein/let-them-drown

Source: Tieke: ECO, 1st June 2016. ❖

We Need to Talk about Paris – Webinar Green and Balanced

The Sustainability and Environmental Management Discussion Group (SaEMDG-Sydney) of CAANZ Australia is mounting this webinar.

"Australian carbon policy has been at a stalemate for a few years, however, the Paris Agreement has allowed an international, long term perspective to again take centre stage. Ultimately these long term goals and commitments will have implications for Australian** businesses beyond the short term election cycles.

"Erwin Jackson, from The Climate Institute, observed negotiations first hand. Erwin will share with us his behind the scenes perspective on the outcomes of the Paris COP and how these are likely to shape the future direction of policy and business in Australia**.

"Erwin Jackson is Deputy CEO of The Climate Institute. With nearly 20 years practical experience in climate change policy and research, Erwin has developed and led many national and international programs aimed at reducing greenhouse pollution. This work has been undertaken in Australia, Europe, North and South America, the Pacific and Antarctica. ...

When/Where: 3:00-4:00pm NZST, 21st June from Sydney

Duration: About one hour

Note: ** If a number of NZ people register it might be possible to include a NZ perspective

More:

<https://attendee.gotowebinar.com/register/3606855910743806211> plus [View System Requirements](#)

Source: Karen McWilliams, CAANZ, Sydney, 2nd June. ❖

Sixth New Zealand Sustainability Accounting Research Symposium 2016

"The Department of Financial and Business Systems, Lincoln University is pleased to announce they will be hosting the 6th New Zealand Sustainability Accounting Research Symposium (NZ SARS 2016). The symposium will be held on the Lincoln campus on **Friday 9th September, 2016**.

"SARS aims to promote sustainability accounting research within a highly collegial atmosphere. The symposium represents the ideal opportunity for established and early career scholars to workshop their research papers.

"Paper submissions are **due on 22nd July 2016**. Papers are invited across a broad range of sustainability accounting related topics and methods.

"Symposium registration close on 26th August, 2016. ...

More: Contact Azi via eMail: SARS2016@lincoln.ac.nz

Source: Azadeh Nilipour, 1st June 2016. ❖

Wind Farms – Positive Effects on Crops

"..... With the number of wind turbines increasing across the state, more farmers understand how wind energy can coexist with agriculture, says Eugene Takle, a professor of atmospheric science and agricultural meteorology at Iowa State University. Furthermore, Takle says his early research on the effect of wind turbines on crops is showing that turbulence can actually promote photosynthesis and have a beneficial effect on crops. That's because turbines mix up the air and increase plant motion, bringing both sunlight and some of the natural levels of carbon dioxide to lower leaves of the plants and promoting more CO2 capture by crops such as corn.

"Turbines help to push that CO2 to the plant', Takle says. 'That's important because if the plants are taking up more carbon, weight of grain and plants will increase.'

"Such potential benefits are not on the minds of most Iowans. Mainly, many farmers and other Iowans are happy to be profiting from wind power and are taking pride in the state's role as the leader in wind power produced per capita, Takle says.

"We don't have mountains, and don't have the ocean," he says. 'We are looking for things we can be proud of, and I think there is a good feeling about generating very clean energy.'

More: http://e360.yale.edu/feature/iowa_bipartisan_push_leader_in_wind_energy/3000/

Source: *Yale Environment 360*, 3rd June 2016. ❖

Choose Clean Water – Update

"What's happened since we took your 13,224 voices to parliament on the 29th March? We're writing with a quick update.

"On the day, Māori Party, Greens & Labour committed to swimmable as the bottom-line for rivers & lakes (this is significant!) but our government hasn't yet so we need to keep the pressure on. From what we understand, the legislation will be finalised early next year but we will keep you posted.

"The Choose Clean Water petition was referred to the Local Government & Environment Select Committee who asked us to provide evidence backing up our request.

[This was done on 21st April via the PDF file below.]

"... We've asked to be heard in person by the committee as well, so we can talk more about the extent of our concerns about the government's weak protection for freshwater.

More: [http://ff.org.nz/pdf/Choose Clean Water Petition 2016.pdf](http://ff.org.nz/pdf/Choose_Clean_Water_Petition_2016.pdf) and <http://ff.org.nz/>

Source: Marnie Rebecca Prickett via TOKO, 7th June. ❖

Donald Trump's Biggest Vulnerability, According to a Nobel Prize-Winning Economist – There is no wall big enough to solve this problem. by Joseph E. Stiglitz

"Lurking beneath all the troubling questions about Donald Trump – would he really try to renegotiate the national debt? Would he really build a wall between Mexico and the United States? Would he really try to prevent Muslims from entering the country? Would he really encourage other countries to develop nuclear weapons? – lies an even more fundamental question: Can he possibly find the thousands of people he needs to perform the most basic task of government, which is, after all, to govern? It is a truism that governing a country is different from running a business. It's also a truism that no business is even close to the size and complexity of the federal government.

"One hundred and seventy-five years ago, the federal government was embryonic, representing a fraction of gross domestic product. The country was largely agrarian; industrialisation was just beginning. Interstate trade was modest and the problems associated with regulating commerce barely presented themselves. Even foreign trade was relatively small. The federal government's role in banking was limited – the office of Comptroller of the Currency wasn't established until 1863. The Federal Deposit Insurance Corporation wouldn't be created for another 70 years. Our natural resources seemed boundless, with no need for protection. There were, of course, major political problems which tore the country apart – tariffs, the national bank, slavery. It made a difference who was elected. But the normal management of government was not a daunting task.

"Today, matters are markedly different. The president sits atop a federal apparatus with a budget of nearly \$4 trillion, representing some 20% of G.D.P. Even these numbers don't capture the reach of government. In our complex society, we need regulations and administrators to manage the environment, the economy, health, safety – virtually everything.

"No single individual can run an enterprise of this size. He or she needs a team – a large team. Different countries obtain the professionalism they need in different ways. In the early days of the Republic, the spoils system allowed an elected president and his party to replace virtually everyone in public service. This regime was inefficient and corrupt, and eventually (in 1871) a civil-service system was introduced, bringing with it the idea of hiring based on merit. One characteristic of all advanced countries is a professional civil service, though it functions in different ways in different places. In the United Kingdom, when a new government is elected,

"The U.S. is exceptional. When a new president is elected, more than 3,000 officials are appointed to replace those who are departing – not just, for instance, the secretary of treasury, but the deputy secretary, the undersecretaries, the assistant secretaries, the deputy assistant secretaries, and in some cases, even bureau heads. Of these appointed people, nearly half must be confirmed by the Senate. You can find a list of all the jobs, and which ones need confirmation, in something called the 'Plum Book', ostensibly named for the colour of its cover but maybe also for the coveted nature of the jobs themselves.

"A President Donald Trump would need to hire more than 3,000 people – 'quality people', as he would say – in a period of little more than two months. He does not know who these people will be. He has spent no part of his life making the acquaintance of likely candidates. He has virtually nowhere to go for help. And he shows no sign that he is even aware of the problem, much less taken steps to deal with it.

More: www.vanityfair.com/news/2016/06/joseph-e-stiglitz-on-donald-trumps-biggest-vulnerability

Source: Stig Ehnbohm, 2nd June 2016. ❖

How Transparency Can Drive Integrated Thinking

"..... SustainAbility has long recognised corporate transparency is integral to sustainability. We have been active contributors to the evolution of sustainability reporting, from publishing our Global Reporters series (1994-2008) to fundamentally questioning reporting's present day value in *See Change: How Transparency Drives Performance*. Ultimately, we recognise reporting is just one tactic in a much broader, more strategic transparency evolution. With this in mind we explore how an emergent aspect of transparency – integrated reporting – can both drive and reflect larger efforts to integrate sustainability into business.

"Integrated reporting is still mostly the exception rather than the rule. Most companies' investor-facing reports still limit themselves to describing the value they create in financial terms. But the idea of providing a more comprehensive look at value creation, in environmental and social as well as financial terms, is gaining traction.

"More companies are pursuing integrated reporting for the benefits that can be attained from the process as well as the output, an integrated report. Our research revealed it provides structure and guidance for thinking in an integrated way and progressing integration more widely, which is valuable well beyond the production and publication of the report itself. The process calls for insights into the company's business model, the interconnectedness of issues and impacts up and down the value chain. This approach also requires analysis of inputs from across the company, reaching far beyond the sustainability team. 'When we talk about integrated reporting, we are not talking about the publication. We are talking about an integrated process of defining what's relevant and collecting the information', said Denise Nogueira, sustainability manager at Brazilian bank Itaú Unibanco. 'The importance is the process, not the report itself.'

More: www.sustainability.com/blog/sasol-akzo-nobel-and-how-transparency-can-drive-integrated-thinking plus www.sustainability.com/library/sustainability-incorporated

Source: SustainAbility, 1st June 2016. ❖

Malcolm Rands Sells Out of Ecostore

"Ecostore founders and environmental ambassadors Malcolm and Melanie Rands have sold out of the business after 22 years to focus on other projects.

"The couple founded Ecostore in 1994 with the goal of making everyday products safer and healthier for people and the planet, campaigning for "no nasty chemicals".

"The business has expanded globally in recent years and now sells into Australia, South Korea, China, Singapore, Malaysia, Thailand, Hong Kong, Taiwan and Japan but in recent years the couple has begun selling down its share in the company, selling the remaining 10% late last year to businessman Peter Kraus.

"The choice to relinquish our minor shareholding of ecostore has in no way changed our passion, enthusiasm and commitment to the company that my wife Melanie and I created in 1994', Rands said. 'Our original desire was to create a new model for business based on purpose or social enterprise."

"Whilst I continue in my full time role as ecostore founder, brand ambassador and spokesperson, the time is now right for me to focus on projects that have always been very close to my heart with Fairground Foundation', he said.

"A proportion of Ecostore's profit would continue to fund the work of the Foundation which Rands said had several significant projects being launched this year.

More: www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11648043

Source: NZ Herald, 1st June 2016. ❖

Looking Through the Wellbeing Kaleidoscope

"The ultimate aim of policy making should be to improve people's wellbeing. Drawing on evidence from across Europe, this report explores new ways in which policy can support and encourage high levels of wellbeing, using data from the European Social Survey.

"Much of the established evidence and analysis around wellbeing is based on a single measure – life satisfaction. This report combines contributions from City University London, the New Economics Foundation (NEF) and the University of Cambridge to explore new ways of understanding and measuring wellbeing. It looks at the following:

- Comprehensive psychological wellbeing (CPWB) (University of Cambridge)
- Inequalities in wellbeing (NEF)
- Five ways to wellbeing (NEF)
- Perceived quality of society (City University London)

"Page 7 – Making wellbeing count for policy

Across the world, there is growing recognition that it makes sense to measure people's wellbeing and treat it as a central policy objective. For some this is integral to moving away from a narrow focus on economic growth as the driving force of policy. For others it provides a more democratic perspective on how we understand societal success, as it places people at the heart of the story. Some are particularly interested in the opportunities for double dividends in terms of policies that could improve wellbeing whilst enhancing environmental sustainability. Whilst others hope a shift in policy focus towards wellbeing will also place mental health issues centre-stage and address the imbalance in funding towards tackling them. In all cases, there is a shared belief a better understanding of the things that are important to wellbeing, and better monitoring of trends and patterns across nations, will improve policy. ...

Eurostat, the European statistics agency, has also been an early mover. In 2013, the Europe-wide Statistics on Individual Living Conditions included a module of 20 questions on wellbeing, which was answered by some 366,650 individuals across the European Union.

Major initiatives for measuring wellbeing are ongoing across the globe, from Bogota to Bhutan, including Canada, Mexico, many towns and cities in the USA, Ecuador, most countries in Europe, Turkey, Australia, New Zealand, and even the tiny island nation of Vanuatu.

Whilst there are several examples of wellbeing evidence being used in local policy-making and by community organisations and funders, it is fair to say the influence of these initiatives on national policy has remained limited. In a recent Environmental Audit Committee inquiry into the use of wellbeing in national policy, the examples referred to by civil servants were at best embryonic. Often it is difficult to draw direct links – for example, the National Citizen Service has recently been extended, and was subject to an innovative evaluation approach assessing its impact on subjective wellbeing. But it is not clear how much of a role the wellbeing evidence played in this decision. ...

More: www.neweconomics.org/publications/entry/looking-through-the-wellbeing-kaleidoscope 74 pages, 3.5Mb,, plus www.neweconomics.org/page/-/publications/NEF14193_Wellbeing_Report_WEB.pdf

Source: Alison Dalziel, Facebook 'like', 26th May 2016. ❖

Cattle Drugs Could Fuel Climate Change

"Dosing farm animals with antibiotics increases greenhouse gas emissions from cow dung, research suggests.

"Scientists say the drugs boost methane production in cowpats - apparently by favouring antibiotic-resistant, methane-producing organisms in the gut.

"Antibiotics also change the microbes which inhabit dung beetles, although apparently with no adverse effects.

"The researchers say it's proof antibiotic use on farms has unintended, cascading effects on the environment.

"For the new paper, in [Proceedings of the Royal Society B](#), researchers followed the trail of antibiotics in cattle and discovered, perhaps unsurprisingly, that said trail did not stop at the cow's rear end.

"The antibiotics changed the microbes in the digestive system of dung beetles, which are vital for cycling carbon and improving soil. The beetles, though, did not appear to be damaged.

"By contrast, clear harm was measured in the antibiotic-contaminated cowpats themselves, which produced 1.8 times more methane - a powerful greenhouse gas.

"This was a surprise, as previous studies have found little or no impact on the dung.

"A second unknown is how generalisable the findings are, across different types of antibiotics.

"Lastly, we don't know whether, in terms of environmental impact of antibiotics, the problem of methane emissions is outweighed by the benefits of increasing feed efficiency and treating disease."

"So for now, the paper is a curiosity rather than a bombshell - although it may be another knock for farmers, who have been blamed recently for fuelling antibiotic resistance in humans, increasing air pollution, and fuelling climate change.

More: www.bbc.com/news/science-environment-36368734

Source: *NZ Herald*, 26th May 2016. ❖

What Land Shortage?

Recently a Letter to the Editor submitted by the editor of *Sustainability Matters* was published in the *NZ Herald*;

"For many years we have heard increasingly strident statements to the effect land is short in Auckland, the boundaries should (again) be extended to meet housing needs and is a primary component of the housing supply crises.

"Auckland land use is though hugely wasteful. One can readily see it when flying above this very spread out metropolis. The waste is in those areas designated solely for business purposes. Hectare after hectare of low density single and double story warehouses and similar, plus large box retail and shopping malls. Much of the manufacturing in these areas has long gone.

"This smacks of very poor urban planning and equally poor land use and building design. Why can't there be redevelopment in areas such as Wairau Valley, Albany and Mt Wellington? Many thousands of people could have quality multi-level living in such areas, and the businesses there flourish with out of the box thinking. There could also be increased green space and urban forests. This would require courage, vision and tenacity. It would have the dual benefit of helping to alleviate massive transport challenges.

More: *NZ Herald*, page A30 12th May

Impact: Unknown. There have been zero comments.

Source: Editor. ❖

Is Earth F****d?

"I have just about read Naomi Klein's book *This Changes Everything*

"In the book she refers to a presentation by a Professor Brad Werner, who works at the Complex Systems Laboratory at UC San Diego, titled *Is Earth Fucked?* (no doubt for getting attention) where he offers hope with the subtitle, *Dynamical Futility of Global Environmental Management and Possibilities for Sustainability via Direct Action Activism*.

"Here is a pertinent paragraph in this article;

'Serious scientific gatherings don't usually feature calls for mass political resistance, much less direct action and sabotage. But then again, Werner wasn't exactly calling for those things. He was merely observing that mass uprisings of people - along the lines of the abolition movement, the civil rights movement or Occupy Wall Street - represent the likeliest source of 'friction' to slow down an economic machine that is careening out of control.

'To me the success of Donald Trump's attempt to win the GOP nomination for President of the US is an example of a mass uprising of people not entirely peaceful. I think people are more against the so called political elite in Washington than for Donald Trump. People vote incumbents out rather than for people who try to take their places.

"We shall see no doubt what happens 8th November.

More:

http://axisoflogic.com/artman/publish/Article_66186.shtml Lengthy article by Naomi Klein, 18th November 2013.

Source: Stig Ehnbohm, 27th May 2016. ❖

The Renewable Energy Future is Bright Our Renewable Future: Laying the Path for One Hundred Percent Clean Energy

"Today [2nd June], Post Carbon Institute is thrilled to announce the launch of a sweeping new project that has been in the works for the last year. *Our Renewable Future: Laying the Path for One Hundred Percent Clean Energy*, written by Fellows Richard Heinberg and David Fridley, is a must-read, crucial resource for energy and climate activists, policymakers, and concerned citizens alike as we approach the inevitable transition to replace fossil fuels with renewable energy sources.

"The book has also been made available freely in its entirety at OurRenewableFuture.org. The website also dives into an exploration of how energy is embedded in many aspects of modern life, and will feature a series of thought-provoking discussions with leading thinkers about what the future of food, the economy, consumerism, economic justice and equity, buildings, infrastructure and urban design, and technology might look like in a post-fossil fuel future.

"We are headed to a renewable energy future whether we're ready or not. Depending on how quickly and intelligently we move the transition along, daily life could improve or deteriorate significantly, but it will never be the same. We don't have time to sit idly by as the world shifts around us. Won't you join us as we begin to shape our renewable future by embracing the energy challenges that lie ahead? 248 pages.

More: <http://ourrenewablefuture.org/> plus www.islandpress.org/book/our-renewable-future

Source: Post Carbon Institute, 3rd June 2016. ❖

Contributions and feedback are welcomed.

Send your news items, handy hints, case studies, suggestions, comments and questions to Ray Skinner of *Sustainability Matters*.
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