

Sustainability Matters

21st July 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.**

How a Small Country School is Turning a Profit From the Land

"When a small Northland school was faced with the problem of what to do with their too-large grounds, a bunch of enterprising students came up with their own international award-winning solutions and everyone is now reaping the benefits.

"Two years ago, Hukerenui School had a block of land that wasn't being well used. Much of the area was out of bounds for the children and the school's caretaker was spending hours mowing all the excess grassy space.

"That's when a group of Year 6 students had a brainstorming session and came up with a variety of agricultural and horticultural projects which would make best use of the land and provide real-life learning opportunities for the entire school.

"Since then, helped by an enthusiastic local community, the Hukerenui students have grown and sold maize, reclaimed a plot of native bush, planted lavender gardens, made natural remedies, developed the existing beehives and used the beeswax and honey to produce balms, planted an orchard, and developed a paddock where they now graze alpacas. They collect alpaca poo for their budding fruit trees, make fragrant hand creams and lip balms from their own lavender and manuka, and learn about sustainability and social enterprise in a totally hands-on way.

"The list of projects initially proposed by the students was ambitious by anyone's standards, but every one of their ideas has been successfully incorporated into the school's curriculum, and they are now using 71% of the land effectively for education.

More: <http://thisnzlife.co.nz/small-country-school-turning-profit-land>

Source: Malcolm Rands and Alison Dalziel, Facebook shares, 16th July 2016. ❖

The Crisis of Rising Sea Levels – Water's Edge

Various dates seemingly all in 2014; Reuters comprising a series of lengthy articles focussed on the Eastern seaboard of USA, plus Houston, Pan Handle, Alasaka, Holland, Britain, Jakarta and more. Illustrating impacts of coastal erosion from rising sea levels, discussing action and inaction to manage (and mismanage) the impacts. The lessons to be learned are insightful and application to New Zealand as much as anywhere else.

More: www.reuters.com/investigates/special-report/waters-edge-the-crisis-of-rising-sea-levels/

Source: Editor, 9th July 2016. ❖

SUSTAINABILITY GROUP EVENTS

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



Announcements in 'due course'. ❖

Example of a UN Global Compact (UNGC) Report

"Marshalls is the UK's leading hard landscaping manufacturer supplying superior natural stone and innovative concrete products to the construction, home improvement and landscape markets since the 1890s.

"This latest UNGC Communication on Progress Report includes:

- CEO statement of support for the United Nations Global Compact.
- Living Wage Employers Accreditation.
- Fair Tax Mark accreditation; the latest FTSE250 business to be awarded the mark, and the first company in the sector.
- Best companies employee survey results.
- Marshalls 'Superbrand' status which provides insights into business strategy and brand success.
- New product innovation update and Marshalls new 'Stone Standard'.
- Focus on modern slavery and transparency in the supply chain.
- Details of Marshalls' human rights programme; including research statistics on child labour in the Indian sandstone industry.

"There is a cast iron business case for our business and human rights programme. Whilst it clearly takes into account risk mitigation and legislative compliance, it is much more to do with further driving and embedding sustainability specifically regarding human rights, working effectively and creatively within the UN system, selectively extending our areas of influence and ultimately creating competitive advantage for our business.' Marshalls' CEO, Martyn Coffey a signatory of the UNGC and a member of the Global Compact UK Network 2009.

More: <http://reportalert.info/report/72573/Marshalls-plc-7th-Annual-UNGC-Communications-Progress-Report>, plus www.marshalls.co.uk/documents/reference/UNGCCOPReport2015.pdf 88 pages. 12.9Mb, and www.taxresearch.org.uk/Blog/2016/02/04/the-fair-tax-mark-an-answer-when-we-need-one-to-tax-abuse/

Source: ReportAlert, 14th July 2016

Editor: This is report which is well worth viewing and is in addition to the company's sustainability report. ❖

Do You Derive Benefits from Sustainability Matters?

If you do, you may wish to consider making a donation to support the back-office costs and hours of effort. Every contribution is much appreciated. How much? You choose. As a suggestion \$46 would be very welcome. GST receipts provided.

Bank account details are;

A/c No. 123 011 0249104 00

That's at the ASB Bank, Queen Street branch. ❖

Michael Bloomberg Heading Global Taskforce on Climate Change

"Michael Bloomberg, the former New York City mayor, is to head a new global taskforce aimed at highlighting the financial exposure of companies to the risk of climate change.

"Investors, insurers, banks and consumers will be provided with more information under plans for a voluntary industry-led code announced by the Financial Stability Board (FSB), the G20 body that monitors and makes recommendations about the financial system, at the COP21 Paris climate change conference on Friday.

"Announcing the decision, Mark Carney, governor of the Bank of England and FSB chair, said the industry-led body would help the financial markets understand mounting climate-change risks.

"Carney, who proposed the creation of the climate change taskforce in a speech to the Lloyd's insurance market in September, added: 'Access to high-quality financial information will allow market participants and policymakers to understand and better manage those risks, which are likely to grow with time.'

"Carney said that Bloomberg, the UN special envoy for cities and climate change, had 'an unparalleled track record of execution in a broad range of fields and his lifelong commitment to open and transparent financial markets make him the ideal leader for the taskforce'.

"Bloomberg, the billionaire founder of the eponymous financial news and data company, said: 'It's critical that industries and investors understand the risks posed by climate change, but currently there is too little transparency about those risks. While the business and finance communities are already playing a leading role on climate change, through investments in technological innovation and clean energy, this taskforce will accelerate that activity by increasing transparency. And in doing so, it will help make markets more efficient, and economies more stable and resilient.'

"The FSB said the taskforce would complete its work within a year and would deliver specific recommendations for voluntary disclosure principles. As part of its work the taskforce will conduct public outreach.

"In April 2015, G20 finance ministers and central bank governors asked the FSB 'to convene public- and private- sector participants to review how the financial sector can take account of climate-related issues'. The idea was pursued by Carney in his Lloyds speech.

"The Bank of England governor said in September that it was important to take action because 'once climate change becomes a defining issue for financial stability, it may already be too late'.

"He added: 'Companies would disclose not only what they are emitting today, but how they plan their transition to the net-zero world of the future. The G20 – whose member states account for around 85% of global emissions has a unique ability to make this possible.'

More: www.theguardian.com/environment/2015/dec/04/mark-carney-unveils-global-taskforce-to-educate-business-on-climate-change, plus 51:23 press briefing and Q&A, 4th December 2015 at <http://unfccc6.meta-fusion.com/cop21/events/2015-12-04-13-00-carney-bloomberg>

Source: Clare Feeney 18th July, via Gareth Morgan 8th July 2016 saying 'International banks, insurers and investors have well and truly woken up to these risks and are getting increasingly vocal.'

Editor: Although lengthy well worth listening to e.g. 'The people are smarter than government' and businesses are realising the risks pertaining to climate change. ❖

The Art of Making Social Impact Interesting...

"Lots of people have heard of 'social accounting and audit' but they are not sure what it actually is and what it entails. Rumour often has it that it is complicated and involved. However, I would argue that it actually is quite simple...

- You re-assert what you, as an organisation, aims to do and how whilst at the same time identifying who you are working with and for;
- You collect information – both quantitative and qualitative – to see if you are meeting your overall purpose;
- You bring all that information together, usually (but not always), into a report; and then...
- You get it independently checked to provide the report with integrity.

"Thus, four easy and simple steps with the last one being the 'audit'.

"The real trick – and the thing that makes a difference in adopting an integrated social impact process, is to try and 'locate' social impact at the core of the organisation as in the diagram on the right. This will mean that social impact assessment is an integral part of what you actually do. This can then contribute hugely to planning, reporting, as well as decision-making – it can have multiple uses.

"Moving social impact into the centre of your organisation requires a bit of thought and planning but it means that the process of collecting data becomes part of what you do and not seen as an 'extra' to what you do....

"In conclusion, in working to encourage organisations to adopt a social impact framework we have to encourage them to pull the process of social impact into the centre of the organisation – a crucial and integral part of what the organisation is actually trying to do. At the same time organisations should explore how to consult on the quality of their services in a way that is appropriate to what they do...Eureka!

More:

<https://socialauditnetwork.wordpress.com/2016/05/02/the-art-of-making-social-impact-interesting/>

Source: SAN newsletter, 26th May 2016. ❖

A-CSEAR Conference 2016 - Call for Papers

"The Centre for Accounting, Governance and Sustainability, University of South Australia will host the 2016 Australasian - Centre for Social and Environmental Accounting Research (A-CSEAR) Conference in Adelaide 7th to 9th December 2016

"The conference theme is 'Connecting with Nature' as participants will have the opportunity to connect with flora and fauna at the Adelaide Zoo venue.

"Papers are welcome in any area of social and environmental accounting research, but particularly in areas of ecology, biodiversity, justice & equity, integrated reporting and innovative methodological approaches. The conference is specifically designed to be a place where emerging researchers can discuss their ideas and papers with more established colleagues in a supportive environment.

Paper Submission Deadline: 4th September 2016. ...

Plenary Speakers:

- Professor Lin Crase, University of South Australia
- Professor Jeffrey Unerman, Royal Holloway College, London

More: www.unisa.edu.au/Research/CAGS/A-CSEAR-2016/

Source: Professor Carol Tilt, 8th June 2016. ❖

M&S Publishes its 2016 Plan A, and connected Annual and Human Rights Reports

"The 2016 *M&S Plan A Report* is an annual update of progress against its Plan A sustainability targets, first launched in 2007 and revised in 2014.

"Sections with the greatest materiality are independently assured by DNV GL and the Report also provides GRI G4 and UN Global Compact reference pages. Greenhouse Gas emissions are reported as both location-based (gross), market-based (allowing for tariffs and ppa's) and net formats.

"The 2016 *M&S Annual Report* is primarily aimed at an investor audience and shows how total value creation is connected to sustainability performance.

"The 2016 *Human Rights Report* reflects the company's new approach including its recent sign-up to the UN Global Compact.

"2015/16 highlights include:

- Achievement of a further 22 Plan A commitments.
- 73% of M&S products with a Plan A quality (up from 64% last year).
- Continued carbon neutral operations worldwide.
- Continued improvements in eco- efficiency including energy (-39%), water (-30%) and food waste (-9%).
- All UK and ROI M&S operated stores connected to local food re-distribution charities via Neighbourly.com.
- Exceeding the target to provide 5,000 workplaces for young unemployed people from 2014 (5,800 provided with an into work rate of 60%).
- Launched 'Spark Something Good' community projects in London, Dublin, Manchester, Swansea and Edinburgh with over 1,700 employees and customers taking part.
- 'Sparks' loyalty card launched with 95% of customers nominating a charity recipient for 1p per transaction donation. £649,000 donated so far.
- New five year partnership with Breast Cancer Now launched to help prevent 9,000 cases of breast cancer a year by 2025.
- Publication of M&S clothing suppliers in the form of an online global map.
- Greater transparency on Food and Clothing & Home supply chain audits.

More: <http://reportalert.info/report/71089/MS-Publishes-its-2016-Plan-and-Connected-Annual-and-Human-Rights-Reports> plus <http://planareport.marksandspencer.com/>

Source: ReportAlert, 10th June 2016.

Editor: There are numerous similar reports at *Report Alert*. ❖

Refugees, Migrants and Integration – What Level of Support Can they Expect?

"Migrants fleeing war and persecution are not a new phenomenon. In this blog, Jason Collodi considers to what extent and how host countries have previously sought to integrate and support large influxes of peoples driven out of their native states.

More: www.eldis.org/go/blog/posts/refugees-migrants-and-integration--what-level-of-support-can-they-expect

Source: *CSEAR Newsletter*, March 2016, Page 16, 14th June. ❖

Can TV Weather Presenters Influence Our Thinking About Climate Change?

For an interesting interview about this topic which is likely to become more newsworthy read the interview with a long-time Miami (Florida) TV weather presenter. Perhaps it's an approach which could be adopted in New Zealand.

More: http://e360.yale.edu/feature/florida_rising_sea_level_tv_weatherman_john_morales/3014/

Source: *Yale Environment 360*, 15th July 2016. ❖

A Decent Life for Everyone On a Fabulous and Finite Planet – Prosperity Without Growth

"Kim Hill talks to Tim Jackson, Professor of Sustainable Development at the University of Surrey, Director of the Centre for the Understanding of Sustainable Prosperity, author of *Prosperity Without Growth: Foundations for the Economy of Tomorrow*, and recipient of the 2016 Hillary Laureate for exceptional mid-career leadership.

More:

www.radionz.co.nz/national/programmes/saturday/audio/201807651/tim-jackson-prosperity-without-growth-38:57, plus www.ted.com/talks/tim_jackson_s_economic_reality_check Also, www.amazon.com/Prosperity-without-Growth-Economics-Finite/dp/1849713235 www.hillaryinstitute.com/ and www.hillaryinstitute.com/laureates --> a 'must read', and www.cusp.ac.uk/news/measure-what-matters/

Source: Tim Marshall 9th July and Clare Feeney, LinkedIn Sustainable Business Leaders in NZ, 11th July 2016. ❖

Fair Tax Mark

"At a time when public trust in business is plummeting, tax justice has been called 'the Fairtrade of our times' – a measure by which we tell a good business from the bad. And as with Fairtrade, when co-ops were the first to stock the products, co-operative councillors the first to demand fairtrade procurement, and Labour & Co-operative MPs the first to demand political support, it's the co-operative movement and social enterprises that have once again been ahead of the curve.

"With so many of us outraged by the Google revelations, yesterday Labour called a debate in parliament to demand answers. Shadow Chancellor John McDonnell savaged Chief Secretary to the Treasury David Gauke for what he called a 'bizarre, upside down and callous sense of justice and fairness'.

"So how do we fight back against it?

"One solution is the Fair Tax Mark. Launched in February 2014, it's designed to enable those of us unacquainted with the complexities of corporate balance sheets and Annual Reports to easily tell the tax dodgers from those who pay their fair share, and to change our consumer habits accordingly.

"In order to achieve the Mark, companies have to open their books to a team of experts. It's up to applicants to prove they are making a genuine effort to be open and transparent about their tax affairs, and they are paying the right amount of corporation tax at the right time and in the right place.

"Some of Britain's largest co-operatives have led the way, with Midcounties Co-op, Phone Co-op, Unity Trust Bank and the Co-operative Group the first to achieve the Mark. They've since been joined by transport operator Go Ahead Group, energy company SSE, and high street cosmetics chain Lush, with others scrambling to sign-up.

More: www.taxresearch.org.uk/Blog/2016/02/04/the-fair-tax-mark-an-answer-when-we-need-one-to-tax-abuse/, plus www.fairtaxmark.net/ and www.ft.com/cms/s/0/5960de76-a9f7-11e4-9fa7-00144feab7de.html

Notes: (a) The article was written by the Technical Director of Tax Mark and posted on 4th February 2016. (b) See 18 responses.

Source: Editor, 14th July 2016. ❖

Thought of the Week

"The best time to plant a tree was 20 years ago. The second best time is now."

- Chinese Proverb

Source: AFS newsletter, 17th December 2015. ❖

What will Church Leadership on Climate Change Look Like?

"This event brings together church leaders, congregation members, and climate change experts to report on the exciting initiatives already taking place among churches in Aotearoa New Zealand and to envisage new avenues for learning, solidarity, and action.

Speakers and Leaders:

When/Where: 10:00am – 4:00pm Sat, 20th August at Lotofale'ia Methodist Church, 34 Orly Avenue Mangere, Auckland

More: www.eventbrite.co.nz/e/climate-workshop-tickets-26143187979 plus <https://cherished-earth.org.nz/events/>

Source: Editor, 10th July 2016. ❖

Time for a Better Capitalism

As at 19th July: 149,704 views, 4,805 Likes, 933 comments

"Over the past few decades, the US economy has undergone a profound change.

"This change has helped rich Americans get richer. But it has also contributed to growing income inequality and the decline of the middle class. And, in so doing, it has fueled populist anger across the political spectrum and slowed the growth of the economy as a whole.

"What is this change?

"The complete embrace of the idea that the only mission of companies is to maximize profit for their shareholders.

"Talk to people in the money management business, and they'll proclaim this as a law of capitalism. They'll also cite others, including the idea that employees are 'costs' and competent managers should minimize these costs by paying employees as little as possible.

"These practices may help boost stock prices, at least temporarily. But they aren't actually laws of capitalism.

"They're choices.

"Not long ago, America's corporate owners and managers made different choices – choices that were better for average Americans and the economy. They also had a profoundly different understanding of their responsibilities.

"The job of management', proclaimed Frank Abrams, chairman of Standard Oil of New Jersey, in 1951, 'is to maintain an equitable and working balance among of the claims of the various directly interested groups... stockholders, employees, customers, and the public at large.'

"By paying good wages, investing in future products, and generating reasonable (not 'maximised') profits, American companies in the 1950s and 1960s created value for all of their constituencies, not just one. As a result, the country and economy boomed.

"Over more recent decades, however, this balance has radically shifted.....

"These trends are real, but they obscure the real cause: Company owners are choosing to maximize short-term profit by paying their employees as little as possible.

"It's time for a more balanced approach.

[Graphs]

More: www.linkedin.com/pulse/time-better-capitalism-henry-blodget

Source: *LinkedIn Pulse*, 15th June 2016. ❖

Self-heating House – Auckland, NZ

"We're starting to monitor the performance of our new 'designed for the sun' energy efficient house in Mt Eden, Auckland.

"This graph [See web page] is for the period June 3rd to July 5th. The red line is the temperature measured inside our open plan kitchen/dining/living area, where we have yet to install any blinds or curtains. The blue line is the outside temperature downloaded from NIWA's website for the closest weather station to us (near MOTAT). We have had no heating in the house what so ever (aside from some intermittent heated towel rail use in the bathroom).

"The internal temperatures in the morning are more closely related to the sunshine hours the day before than they are to the overnight low. On very sunny days and an overnight low of 2^oC, the internal temperature only dipped to 18.5^oC. The coldest night, 0^oC, we briefly dipped to 17.5^oC.

"With the right balance between solar gain, thermal mass and insulation, most new houses should be able to be built to perform like this.

More: <https://www.linkedin.com/pulse/self-heating-house-auckland-nz-russell-baillie>

Source: Russell Baillie, *LinkedIn News*, 13th July 2016.

Editor: Plus see dialogue and congratulations to Russell for the 'remarkable' outcomes. ❖

Ten by Ten: Climate Change

"Ten things you didn't know about climate change ...

"Climate change is already redefining coastlines and the weather, both here in New Zealand and around the world. But will it affect me and what can I do about it?

"Tim Naish and James Renwick will give their take on this biggest of issues – from the very local to the global.

"Professor Tim Naish: Tim is Director of the Antarctic Research Centre at Victoria University of Wellington, where he and his team use rock and ice cores as a time machine to look at how the Antarctica ice sheets affected global sea-level in past warmer periods and what this means for our future.

"Professor James Renwick: James is a Professor of Physical Geography at Victoria University of Wellington where he indulges his fascination for all aspects of the climate system, from the tropics to the poles, and from thousands of years in the past to hundreds of years into the future.

When/Where:

- Christchurch - 6.30pm Wednesday 3rd August
- Dunedin - 5.30pm Thursday 4th August
- Wanaka - 6pm Friday 5th August
- Auckland - 6pm Tuesday 6th September
- Wellington - 6pm Wednesday 7th September
- Nelson - 7.30pm Thursday 8th September

"The lectures are free and open to the general public. However, to ensure you have a seat, please register online at www.royalsociety.org.nz/events.

Mounted by Royal Society with support of Victoria University.

Note: Events in Hamilton, Rotorua, Napier and Palmerston North were held 5th – 7th July

More: www.royalsociety.org.nz/events/ten-by-ten/ten-by-ten-climate-change/

Source: Clare Feeney, *LinkedIn Sustainable Business Leaders* in NZ, 15th July 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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