

Sustainability Matters

13th October 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.**

Norwegian Stock Exchange Issues Reporting Guidance with Strong Reference to GRI

"The Oslo Børs is one of the latest exchanges to provide explicit guidance on sustainability reporting for its issuers, with strong reference to GRI.

"The Guidance, developed in collaboration with the Norwegian Forum for Responsible and Sustainable Investment (Norsif), is intended to encourage efficient, comprehensive and relevant corporate responsibility reporting.

"The Oslo Børs joins the group of approximately 20 exchanges worldwide which currently provide guidance on sustainability reporting for their issuers, with over a dozen more exchanges currently working on developing their own Guidance, several of which will be launched in the coming months.

"In the process of developing the Guidance, the Oslo Børs sought stakeholder feedback to ensure the final product reflects the needs of reporters and report users alike.....

"The Oslo Børs Guidance states companies issuing a GRI G4 'Core' or 'Comprehensive' report will be deemed to report in accordance with the Guidance. This makes it much easier for many of the 200-plus listed issuers to comply, as a number of them are already GRI reporters.

"I find it very important for the preparers as well as the users of reports that the Guidance builds on GRI's internationally recognised reporting standard',that secures continuity and reduces risk of double reporting. In my opinion, that is important to secure good reporting quality.'

"GRI is currently referenced in public policy instruments promoting corporate transparency in 41 countries and regions. In Norway, the Accounting Act currently refers to GRI. With the transition to GRI Standards, the new, modular structure provides an even more credible and ready-to-use instrument for policy makers and regulators worldwide.

More: www.globalreporting.org/information/news-and-press-center/Pages/Norwegian-Stock-Exchange-Issues-Reporting-Guidance-with-Strong-Reference-to-GRI.aspx

Source: GRI, 6th October 2016. ❖

A Practical Guide to ESG Integration for Equity Investing

"..... This report is the most comprehensive description to date of what ESG-integrated analysis is, and how it works in practice.

More: www.unpri.org/news/pri-launches-esg-integration-guide-for-equity-investors 118 pages, 6.56Mb

Source: CSEAR Newsletter, page 12, 29th Sept. 2016. ❖

SUSTAINABILITY GROUP EVENTS

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



Announcements in 'due course'. ❖

Recalculating the Climate Math: The Numbers on Global Warming are Even Scarier than We Thought.

By Bill McKibben 22nd Sept. 2016

"The future of humanity depends on math. And the numbers in a new study released Thursday are the most ominous yet.

"Those numbers spell out, in simple arithmetic, how much of the fossil fuel in the world's existing coal mines and oil wells we can burn if we want to prevent global warming from cooking the planet. In other words, if our goal is to keep the Earth's temperature from rising more than two degrees Celsius – the upper limit identified by the nations of the world – how much more new digging and drilling can we do?

"Here's the answer: zero.

"That's right: If we're serious about preventing catastrophic warming, the new study shows, we can't dig any new coal mines, drill any new fields, build any more pipelines. Not a single one. We're done expanding the fossil fuel frontier. Our only hope is a swift, managed decline in the production of all carbon-based energy from the fields we've already put in production.

"The new numbers are startling. Only four years ago, I wrote an essay called *Global Warming's Terrifying New Math*. In the piece, I drew on research from a London-based think tank, the Carbon Tracker Initiative. The research showed the untapped reserves of coal, oil, and gas identified by the world's fossil fuel industry contained five times more carbon than we can burn if we want to keep from raising the planet's temperature by more than two degrees Celsius. That is, if energy companies eventually dug up and burned everything they'd laid claim to, the planet would cook five times over. That math kicked off a widespread campaign of divestment from fossil fuel stocks by universities, churches, and foundations. And it's since become the conventional wisdom: Many central bankers and world leaders now agree that we need to keep the bulk of fossil fuel reserves underground.

"But the new new math is even more explosive. It draws on a report by Oil Change International, a Washington-based think tank, using data from the Norwegian energy consultants Rystad. But Oil Change International wanted the numbers for a different reason: to figure out how close to the edge of catastrophe we've already come.

More: <https://newrepublic.com/article/136987/recalculating-climate-math>, plus <http://priceofoil.org/2016/09/22/the-skys-limit-report/>, 60 pages 6.07Mb

Source: 350.org, 4th October 2016. ❖

The Rise of Environmental Crime

UNEP and Interpol have published a report on the growing problems caused by biodiversity offences and economic crimes associated with the environment.

108 pages, 11.1Mb

More:

http://unep.org/documents/itw/environmental_crimes.pdf

Source: CSEAR Newsletter, page 12, 29th Sept. 2016. ❖

Commonwealth Climate and Law Initiative

"The Commonwealth Climate and Law Initiative (CCLI) is a research, education, and outreach project focused on four Commonwealth countries: Australia, Canada, South Africa, and the United Kingdom. CCLI will examine the **legal basis for directors and trustees to take account of physical climate change risk and societal responses to climate change**, under prevailing statutory and common (judge-made) laws. In addition to the legal theory, it also aims to undertake a practical assessment of the materiality of these considerations, in terms of liability, and the scale, timing, probability of this and the potential implications for company and investor decision-making.

"Australia, Canada, South Africa, and the UK, despite only producing 6% of current annual global GHG emissions, account for 13% of global coal reserves and 11% of global oil reserves. Their stock exchanges also have 27% of all listed fossil fuel reserves and 36% of listed fossil fuel resources. They each have large and highly developed financial systems and account for 23% of the global pension assets and contain within the G20 the 8th, 5th, 14th and 4th largest stock markets by market capitalisation respectively.

"The significant commonalities in the laws and legal systems of each of the four countries makes the initiative's work and outcomes readily transferable. They each operate a common law legal system. Their corporate governance laws are based on common fiduciary principles. Whilst their laws may differ at the margins, legal developments and judicial precedents are influential in each others' jurisdictions.

"CCLI aims to commission and undertake a wide range of research, engagement, and outreach activity across these four countries and also in other Commonwealth countries (e.g. India, Pakistan, Nigeria, Malaysia, Singapore, New Zealand etc), non-Commonwealth common law jurisdictions ex-US (e.g. Hong Kong), British Overseas Territories (e.g. Bermuda, British Virgin Islands, Cayman Islands etc), and British Crown dependencies (Guernsey, Isle of Man, and Jersey). Many of these jurisdictions are major financial centres and/or have significant fossil fuel reserves.

More: www.smithschool.ox.ac.uk/research-programmes/ccli/ plus www.theguardian.com/environment/2015/nov/27/prince-charles-commonwealth-climate-and-law-initiative-emissions [27th Nov 2015], and www.clientearth.org/breaking-new-ground-directors-climate-liabilities/ [14 June 2016], as well as a report at www.eucentre.unimelb.edu.au/events/climate-change-risk-and-corporate-governance/ of a two-day thought leadership event held in Sydney 29th-30th August.

Source: Karen McWilliams, CA ANZ, 11th Sept and 11th Oct. ❖

Global Aircraft Emissions Deal Reached

"The UN's aviation arm ratified the first-ever global limits on commercial aircraft emissions yesterday [7th October]. At a meeting of the International Civil Aviation Organisation in Montreal, delegates finalised a deal that will use airlines' 2020 emissions as the benchmark and require the industry to offset about 80% of emissions above 2020 levels by 2035.

"The carbon offsetting system will be phased in starting in 2021 on a voluntary basis and will become mandatory for all countries, excluding the least developed countries and nations with very low levels of aviation activity, in 2027. Sixty-five countries, including the US, have already pledged to participate in the voluntary phases.

Source: www.environmentalleader.com/2016/10/07/first-ever-global-aircraft-emissions-deal-reached/ plus www.reuters.com/article/us-climatechange-aviation-idUSKCN1261QR

More: *Environmental Leader*, 8th October 2016.

Editor: A very weak deal – perhaps better than nothing. ❖

Why We Need a Carbon Tax, and Why it Won't Be Enough

"*Putting a price on carbon is an idea whose time has come, with even Big Oil signaling it may drop its long-standing opposition to a carbon tax. But the question is, has it come too late?* By Bill McKibben, 12th Sep. 2016

"..... So that's the good news. And it is good news — there is no intellectually respectable reason that carbon should flow unpriced into the atmosphere, any more than there's a reason you should be allowed to toss your garbage into the middle of the street every night. Cleaning up after yourself is a mark of civilization.

"There is, however, more to be said.

"In the first place, most of the carbon pricing schemes adopted around the world haven't worked spectacularly. These so-called cap-and-trade systems set limits on carbon and allow companies to buy and sell allowances.

"When trace pollutants like nitrogen and sulphur were the issue two decades ago, schemes like these worked well. But in the vastly larger carbon markets, with endless opportunities to game the system, the results have been mixed at best: prices have crashed, entire industries have used political muscle to win exemptions, and the net results – though such pricing plans now cover about 12% of the world's emissions – have been far from earth-shaking.

"A much more straightforward plan is simply to tax carbon directly.

"One of the temptations I try to avoid is saying, 'If only you'd paid attention back then'. In 1989, back when I wrote that first book, it's plausible that a low price on carbon, set to rise slowly over the years, would have been enough to bend the curve of emissions enough to save us from climate change. But in 2016, that's no longer true. At best it's one arrow in a quiver full of other arrows we're also going to need to let loose in a volley.

"We're no longer talking about cutting emissions 1% or 2% a year; now, with the poles actually melting, coral reefs literally dying in a matter of weeks, and temperatures shattering new records every month, we need to do everything.

"Not just a price on carbon, but dramatic subsidies for renewables to speed their spread. Not just a price on carbon, but an end to producing coal and gas and oil on public land. Not just a price on carbon, but a ban on fracking, which is sending clouds of methane into the atmosphere. Not just a price on carbon, but a dozen other major regulatory changes that have some chance of cutting emissions the 6 or 7% a year that's now required, a rate far greater than we've ever seen before.

"We are, you might say, in a war, and if that's the case then think of a price on carbon as the infantry. It can get things done, but it's going to need the Navy, the Air Force, and the Marines, as well. If the climate movement stays unified around a suite of solutions, instead of resisting the temptation to grab at one, we have a chance. An outside chance, but a chance. [Long article.]

More:

http://e360.yale.edu/feature/why_we_need_a_carbon_tax_and_why_it_won_be_enough/3033/

Source: *Yale Environment 360*, 16th Sept 2016.

See also: *How British Columbia Gained By Putting a Price on Carbon*, 30th April 2015. Seven years ago, British Columbia became the first jurisdiction in North America to adopt an economy-wide carbon tax. In a *Yale Environment 360* interview, economics expert Stewart Elgie explains how the tax helped cut the province's fossil fuel use without hurting its economy. ❖

Waste Not Want Not: Sweden to Give Tax Breaks for Repairs

"The Swedish government is introducing tax breaks on repairs to everything from bicycles to washing machines so it will no longer make sense to throw out old or broken items and buy new ones.

"Sweden's ruling Social Democrat and Green party coalition is set to submit proposals to parliament on Tuesday to slash the VAT rate on repairs to bicycles, clothes and shoes from 25% to 12%.

"It will also submit a proposal that would allow people to claim back from income tax half of the labour cost on repairs to appliances such as fridges, ovens, dishwashers and washing machines.

"We believe this could substantially lower the cost and so make it more rational economic behaviour to repair your goods', said Per Bolund, Sweden's minister for financial markets and consumer affairs and one of six Green party cabinet members....

"He hopes the tax break on appliances will spur the creation of a new home-repairs service industry, providing much-needed jobs for new immigrants who lack formal education. The incentives are part of a shift in government focus from reducing carbon emissions produced domestically to reducing emissions tied to goods produced elsewhere.

"Sweden has cut its annual emissions of carbon dioxide by 23% since 1990 and already generates more than half of its electricity from renewable sources. But emissions linked to consumption have stubbornly risen. Bolund said the policy also tied in with international trends around reduced consumption and crafts, such as the 'maker movement' and the sharing economy, both of which have strong followings in Sweden.

"I believe there is a shift in view in Sweden at the moment. There is an increased knowledge that we need to make our things last longer in order to reduce materials' consumption', he said. ...

More: www.theguardian.com/world/2016/sep/19/waste-not-want-not-sweden-tax-breaks-repairs

Source: SBN, 4th and SnippETS 8th October 2016. ❖

Public Art or Renewable Energy? New Designs Aim to Produce Both

"When the topic of energy infrastructure comes up, works of art don't usually come to mind. But hundreds of such hybrid creations – part renewable power generators, part large-scale art installations – now exist, at least on paper, as the result of a sustainable design competition known as the Land Art Generator Initiative. Multi-disciplinary teams across the world have taken up the challenge to come up with buildable designs that produce renewable energy and 'add value to public space, inspire, and educate'. The competition is just one example of the recent push to find innovative ways to incorporate zero-carbon technologies into existing communities.

"The submissions to this year's biennial Land Art Generator Initiative range from whimsical to otherworldly, and have all been designed to operate in the waters off Santa Monica Pier in Southern California. They make use of wind, waves, and the sun to generate energy. The city of Santa Monica, sandwiched between L.A. and the Pacific Ocean, suffers from the same drought that continues to plague much of the western half of the U.S. That's why this year's competition includes, for the first time, designs that also produce desalinated water.

More: http://e360.yale.edu/digest/public_art_or_renewable_energy_land_art_generator_initiative_santa_monica/4816/

Source: *Yale Environment 360*, 7th October 2016

Editor: Images of eight of the entries are provided. ❖

Child Marriage: Shashida's Story

"Shashida was a mother of two by the time she was 14-years-old. She lives in Dhaka Shishu, a 5-square-mile area packed with high-rise buildings and slums, and home to hundreds of thousands of people.

"Shashida is one of the 15 million girls who are each year forced into early marriage across the world – and her country has one of the highest numbers of child brides in the world, with more than two million women who were forced into marriage as girls. In Bangladesh almost 20% of girls are married by 15 years old, and 52% are married by 18 years old.

"In a report entitled '*The unfortunate reality of Child Marriage in India*', Chief Executive and National Director of World Vision India said the issue of child marriage was a problem in both urban and rural India.

"The lives and futures of numerous girl children subjected to child marriage are put to risk... despite preventive laws, child marriages are a reality in India, but we seem to unconcernedly live with it', he said.

"Changing community attitudes and mindsets, however, are now contributing significantly to the battle against child marriages."

"World Vision NZ's Country Portfolio Manager Dan Mtonga says he has seen communities in Bangladesh and India transform when families and young women are educated about the effects of child marriage.

"Millions of girls are forced into early marriage, and their voices are not heard – for fear that if they do speak out about when and who they should marry, their families and communities will view them as standing against their fathers and brothers," he said. With World Vision's child groups, communities are empowered and girls are able to flourish, realising their dreams as students and leaders.'

"The effects and consequences of early marriage are vast, ranging from severe sexual and reproductive health complications and an increase in child mortality, to domestic violence, social isolation, and extreme poverty.

"She said in the UNICEF report *The State of the World's Children 2016* that with no progress, almost 950 million women will have been married as children by 2030, up from more than 700 million today.....

More: www.worldvision.org.nz/news-blog/stories-from-the-field/child-sponsorship/child-marriage-shashida-s-story, plus www.unicef.org/sowc2016/

Source: World Vision, 8th October 2016. ❖

Australia's Most Energy Efficient Housing Development Expands

"Australia's premium sustainable housing project, The Cape, at Cape Paterson, in the southern state of Victoria has opened its doors to its newest 8.2- star edition, Cutlers.

"This carbon neutral, energy and water efficient coastal home sits within the top 1% of sustainable homes in Australia.

"The home features state of the art while reducing annual running costs to below \$500 a year, which is around 15% to 20% of the running costs of an average home in the state....

"This single story dwelling has many integrated sustainability features such as rammed earth block walls, polished concrete and external timber feature panelling, zero VOC paints and excellent insulation, double glazing, thermal mass and ventilation combining to achieve an 8.2-star energy rating....

[Details of construction elements listed.]

More: <http://econews.com.au/51967/australias-most-energy-efficient-housing-development-expands/>

Source: *eco-News*, 6th October 2016. ❖

The People's Monsanto Tribunal

"Opening on Friday 14th October at the People's Assembly location. Hearings on Saturday 15th and Sunday 16th at The Hague the International Monsanto Tribunal which is an international civil society initiative, will hear testimonies from victims, and deliver an advisory opinion following procedures of the International Court of Justice.

"The international civil society initiative seeks 'to hold Monsanto accountable for human rights violations, for crimes against humanity, and for ecocide. Eminent judges will hear testimonies from victims, and deliver an advisory opinion following procedures of the International Court of Justice. A parallel People's Assembly provides the opportunity for social movements to rally and plan for the future we want.

"Why a Tribunal? According to its critics, Monsanto is able to ignore the human and environmental damage caused by its products and maintain its devastating activities through a strategy of systemic concealment: by lobbying regulatory agencies and governments, by resorting to lying and corruption, by financing fraudulent scientific studies, by pressuring independent scientists, by manipulating the press and media, etc. The history of Monsanto would thereby constitute a textbook case of impunity, benefiting transnational corporations and their executives, whose activities contribute to climate and biosphere crises and threaten the safety of the planet ...

More: www.monsanto-tribunal.org/

Source: SumOfUs, 7th October 2016

Editor: At <http://en.monsantotribunal.org/signers-organisations> over 1,000 organisations which support the initiative are listed, including at least five from NZ. ❖

Natural Aquaculture: Can We Save Oceans by Farming Them?

"Bren Smith, a 44-year-old Newfoundland-born former cod fisherman, grows shellfish and the newly trendy sea vegetable kelp on what he calls 'the world's first 3D ocean farm' off the Connecticut shore in Long Island Sound. His multi-species hanging garden has already become a model for a new kind of low-impact aquaculture that, he says, can produce the cheapest and most ecologically sustainable food on the planet.

"I don't call it aquaculture'... He wants nothing to do with the conventional aquaculture industry, which he says has exported the bad habits of land-based agriculture to the sea – creating sterile monocultures; fouling coastal waters with pesticides, antibiotics, and organic pollutants; and endangering wild fish stocks through the spread of diseases from their less-healthy domesticated cousins.

"... Smith's low-tech approach has no need for agro-chemicals, fertiliser, or antibiotics.Smith says his brand of integrated 'ocean farming' actually revitalises degraded or dying ecosystems by creating seaweed groves that become nurseries and sanctuaries for many marine species. It's a pro-active approach to conservation that goes beyond the growing movement to create no-fishing reserves.

"Smith says he can no longer keep up with the demand from gourmet eateries and specialty food manufacturers. Initial feasibility studies suggest an acre of kelp can produce 2,000 gallons of ethanol, five times the amount derived from corn. ...

More:

http://e360.yale.edu/feature/new_breed_of_ocean_farmer_aims_to_revive_global_seas/3040/ [Lengthy article]

Source: *Yale Environment 360*, 7th October 2016. ❖

Before the Flood

"Leonardo DiCaprio's new film '*Before the Flood*' puts the threats to our planet on Centre Stage. The actor and activist takes viewers around the globe to highlight the perils of a warming planet. Leonardo DiCaprio may be the star of his latest documentary, *Before the Flood*, but something much bigger takes centre stage: Earth.

"In the documentary, the UN Ambassador of Peace journeys around the globe to highlight the perils of a warming planet. According to TIFF documentary programmer Thom Powers' review of the film, DiCaprio travels to Alberta, Canada to see its toxic tar sands. He witnesses the frequently flooded streets of Miami Beach, Florida. He visits Beijing, a city shrouded by a constant cloak of smog. DiCaprio also explores Indonesia, a country scorched by forest fires caused by unsustainable palm oil development.

"The film features environmental champions as guest stars, from Tesla CEO and inventor Elon Musk, meteorologist and astronaut Piers Sellers, activist and environmentalist Sunita Narain, and President Barack Obama.

"Reviewer Powers praised *Before the Flood*, calling the film a 'rousing call to action. This isn't the first environmental documentary and it won't be the last. But DiCaprio's charisma makes it one of the most accessible', Powers wrote. 'His passion and inquisitiveness radiate in his blunt talk and genuine curiosity.'

"As it sweeps us along on its fascinating tour, *Before the Flood* reminds us of the beauty and diversity of our world,' Powers concluded. 'It also galvanises us to do whatever it takes to save the planet – and ourselves.'

"*Before the Flood* will hit theatres starting 21st October. The National Geographic Channel will air the documentary in 171 countries and 45 languages on 30th October.

More:

www.youtube.com/watch?v=6UGsRcxSAI&feature=youtu.be 1,520,018 views and 23,000 likes and dislikes as at 11th October plus www.alternet.org/environment/leonardo-dicaprios-climate-change-documentary-rousing-call-action-video

Source: Jae Maher, LinkedIn, Sustainable Business Leaders in New Zealand, 7th October 2016. ❖

SBN Wins Excellence Award

"The Sustainable Business Network has won the Sustainability Support category at the 2016 AUT Excellence in Business Support Awards [on 5th October].

"Rachel Brown, CEO of the Sustainable Business Network, says she is thrilled to have won the first sustainability award in the history of these awards. 'The finalists were all very impressive, so we're incredibly honoured to be in such good company. The entry process is very thorough, which takes a lot of effort, but it's a very useful reflection of our best practice and robust internal systems.....'

"Leading New Zealand-based food science company Plant & Food Research was named the AUT Business School Supreme Winner in recognition of its contribution to business support and helping build New Zealand's competitive advantage for the future. [See full list of category winners].....

More: <http://sustainable.org.nz/wp-content/uploads/2016/10/AUT-Award-win.pdf> plus

www.aut.ac.nz/study-at-aut/study-areas/business/for-business/aut-excellence-in-business-support-awards

Source: Fiona Stephenson, SBN, 6th October 2016. ❖

Contributions and feedback are welcomed.

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