

Sustainability Matters

19th Dec 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.**

Peace Officers Initiative

"The way we speak affects the way we act. It affects the way others act and react to us. By rebranding our law enforcement, daily news reports will use the words peace, department of peace, peace keeping, and safety. Our children will see 'peace' cruisers that deliver a mobile message of peace and safety as they protect their communities. Daily each officer will place an identity badge on their uniform, pinned over his or her heart with the words 'Peace Officer' written on it. That proclaimed description of duty will instill a new self-mage and promote pride within this most difficult of professions. Over time, other positive programs will build on this first step as new ideas and training are adopted.

"A principal goal is to create alliances with police unions, associations, and law enforcement organisations so this is a collaborative effort. These partnerships combined with community support will build a base for government enactment. We will expand this support by producing impactful advertising/promotional materials to educate the citizens of each city of the positive impacts of supporting this program (these materials can be reused in other cities that follow Los Angeles). We intend to hire an excellent public relations partner. We intend to build a separate web portal that is specific to this initiative that is inclusive of all races, ethnicities and religions that delivers a positive and supportive message for both the community and peacekeepers.

"We intend to inspire and educate the public and our government officials. We intend to utilise paid promotional advertising and well as community programing, news reporting, talk radio, and social media to create a tipping point of support. We intend to have a 10,000-person rally in each city that will publicly demonstrate the wide support for this change and garner positive news coverage. We intend to use our current International Infrastructures of Peace programing to support this local program. We intend to invite our partner organizations to support this initiative. We intend to increase our celebrity involvement.

More: www.peacenow.com/?s=Peace+Officers, plus www.peacenow.com/about-us/

Source: PeaceNow, 13th December 2016. ❖

10 Years On From the Stern Report

Economist says green development is the only route to global economic growth.

More: www.theguardian.com/environment/2016/oct/27/10-years-on-from-the-stern-report-a-low-carbon-future-is-the-only-one-available

Source: CSEAR newsletter, 15th December, page 9. ❖

SUSTAINABILITY GROUP EVENTS

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



Announcements in 'due course'. ❖

Climate Related Financial Disclosure for Business: An Imperative for 2017

"2016 began - as recorded here on Forbes – noting climate change was becoming very real in the financial world. As we head towards the end of what has been a tumultuous year, the Financial Stability Board (FSB) is clear the message needs to be reinforced, not dismissed.

"Chaired by the Governor of the Bank of England, Mark Carney, the FSB announced a task force involving climate-related disclosure for business just as 2015 came to a close.

"In London today [14th December 2016] the publication of its report, *Recommendations of the Task Force on Climate-related Financial Disclosures*, outlines a set of recommendations for voluntary, decision-useful, climate-related disclosures to be made as part of mainstream financial filings.

"The FSB recommendations are designed 'to help organisations identify and disclose information needed by investors, lenders, and insurance underwriters to appropriately assess and price climate-related risks and opportunities'.

"They focus on four thematic areas which the FSB feels generally reflect how organisations operate. These include: governance, strategy, risk management, and metrics and targets.

"Climate change is not only an environmental problem, but a business one as well. We need business leaders to join us to help spread these recommendations across their industries in order to help make markets more efficient and economies more stable, resilient, and sustainable', said Michael R. Bloomberg, Chairman of the Task Force.

"He has been publicly vocal on what he sees as the biggest threat facing the world today: climate change.....

"The disclosure recommendations will give financial markets the information they need to manage risks, and seize opportunities, stemming from climate change. As a private sector solution to a market issue, the Task Force has focused on the practical, material disclosures investors want and which all capital-raising companies can compile', says Mr. Carney.

"The release of the TCFD report today launches a 60-day public consultation period to solicit feedback on it and recommendations until **12th February 2017**. The Task Force encourages the public to participate in the public consultation survey here.

"Now more than ever it seems, look to 2017, collaboration is the name of the game to realign the planet with better business for all stakeholders.

Source: *Carbon News*, 15th December 2016.

More:

www.forbes.com/sites/dinamedland/2016/12/14/climate-change-is-a-business-problem-not-just-an-environmental-one/ plus www.fsb-tcfd.org/wp-content/uploads/2016/12/Press-Release-TCFD-Announces-Recommendations-Report-14Dec16.pdf and 67 pages, 2.04Mb at www.fsb.org/wp-content/uploads/Recommendations-of-the-Task-Force-on-Climate-related-Financial-Disclosures.pdf. ❖

Sustainability Analyst – T&G

"If you have a passion for sustainability, energy saving, waste minimisation and ideally horticulture or FMCG industry experience then we have the perfect role for you!

"We need a Sustainability Analyst to join our T&G Global team based in Auckland. This role is perfect for someone wanting to make a difference and help T&G Global in refining and implementing a strategy to sustainably reduce our carbon footprint.

"As a Sustainability Analyst you will focus on energy saving and waste minimisation projects, as well as identifying and investigating alternative fuel sources. Focusing on research initially and working with all our sites across the globe, you will then move your focus onto project planning and implementation while maintaining best practice knowledge and application. ... An understanding of the GRI framework and an understanding of sustainability reporting requirements is desirable / a bonus....

More: <https://www.linkedin.com/comm/jobs/view/233044039>
Posted 14th December 2016

Source: LinkedIn, 15th December 2016

Background: T&G in a former life was Turners and Growers – currently BayWa AG, Munich (Germany) is a major shareholder – About 74%.
<http://tandg.global/about/sustainability/>. ❖

Leadership in Sustainable Business

"Take a flying start into 2017 by signing up to SBN's *Leadership in Sustainable Business* course, which starts in January 2017. The course equips attendees with skills to deliver credible and transformative sustainability goals for their organisations

Commitment is 40 hours, including 5 workshops. Drew McGuire director of Capability Group, delivers much of the course. Spaces are limited.

More: <http://sustainable.org.nz/what-we-do/sustainable-tools-resources/lead-and-influence-sustainability-course/> plus <http://sustainable.org.nz/sustainability-news/qa-capability-group-on-modern-leadership-in-sustainability>

Source: SBN, 13th December 2016. ❖

Sustainability Reporting in Stock Exchanges 'Comes of Age'

"As many as 21 stock exchanges across the world could introduce sustainability reporting standards in the coming months. They would join the 17 exchanges that currently recommend listed companies to report on environmental, social and governance (ESG) issues — going a step further by providing model guidance to participating companies.

"These exchanges have pledged to list their guidance on the Sustainability Stock Exchanges (SSE) initiative. It's a peer-to-peer platform that invites global exchanges to promote ESG disclosure among listed companies and among each other. SSE includes over 60 exchanges — representing more than 70% of listed equity markets — and more than 30,000 companies with a market capitalisation over \$55 trillion.

"Sustainability reporting has come of age', said James Zhan, director of the division on Investment and Enterprise at the U.N. Conference on Trade and Development (UNCTAD), which works on trade, investment, finance and technology issues in developing countries. Companies are demanding sustainability guidelines outside of the top-down push from government agencies and NGOs, he added.

"The 21 exchanges 'have confirmed to us they will introduce new guidelines either this year or within the first quarter of next year, and we know that many of them are close because they have posted draft guidelines on their websites for comment and discussion', Zhan's statement.... [7th December 2016]

More: www.energyts.com/snippets/20161214/story11.html

Source: *SnippETS*, 14th December 2016. ❖

Why I Have Been Unemployed for Two Years

"I have been unemployed for two years. Not two weeks, but two years. Would you hire me? Let's be real for a second. No, you wouldn't and if you would, prove it. It's ok. I'm used to it by now. You might give me a phone interview, but that is about as far as I'd get. Maybe you'd assume I was lazy or haven't done anything in those years. Maybe you'd ask and after a few seconds, you'd write me off as another check in your book for an interview you've done.

"What if you could walk in my shoes for those two years? What if the last few years of my life were much harder than your work week? Would it surprise you that I have spent the last several months of my life living out of my car? Well, it's the truth.

"It all started when

More: <https://www.linkedin.com/pulse/why-i-have-been-unemployed-two-years-tom-johnston>

Source: *LinkedIn Digest*, 14th December 2016. ❖

The Global Movement to Divest from Fossil Fuels has Doubled Since 2015

"\$5 trillion worth of assets under management have been committed for divestment; 688 institutions in 76 countries.

"This is big news! It shows us just how powerful a tool divestment continues to be in the resistance against a rogue fossil fuel industry. And shows the key role that the divestment movement has played in shining a light on the devastating impacts of the fossil fuel industry and breaking their stranglehold on our politics.

"While the world is filled with uncertainty, it's important to take a moment to reflect on what the divestment movement has been doing right.

- We are organising for the long haul:
- We are powerful: ...
- We are everywhere: ...
- We need to keep the pressure on: ...

"The announcement today shows just how far the divestment movement has come.

"Our work is not over, and there are still more challenges ahead. But the fossil fuel industry is weaker than it's ever been and we remain strong on the side of climate justice.

Source: 350.org, 13th December 2016

More: The 350.org announcement draws on 12th December news release by Divest-Invest at <http://divestinvest.org/2016-report/> and that in turn from a wide-ranging 37 page, 672Kb report available from www.arabellaadvisors.com/resources/

Yossi from 350.org advised the Editor [13th December 2016]:

"As you may know, no one (rationale) can pinpoint the reasons for either decline or incline of share prices of fossil fuels and oil in particular. I think that the decline trend is clear but aside of divestment there are many other factors such the OPEC decisions, supply and more. We also know that perceptions play an important role when it comes to share prices and I believe that the divestment work has an impact on these perceptions. You also must take in account that the divestment goal was never financial. We never intend to bankrupt the fossil fuel industry. The divestment goal is a political and social and aims to stigmatise the fossil fuel industry and take away their social license and their ability to influence political decisions.

Plus: <http://econews.com.au/52709/investors-losing-faith-in-high-carbon-assets-as-divestment-grows/> eco-News 14th December 2016. ❖

Do we Have All the Knowledge we Need for a Sustainable Future?

"His Royal Highness The Prince of Wales hosted the annual Accounting for Sustainability (A4S) Forum at St James Palace last month [November]. In his opening address, he noted that in 2004, when he first started his Accounting for Sustainability Project, Earth Overshoot Day – the date at which humanity's resource consumption for the year exceeds Earth's capacity to regenerate those resources – was estimated to be in late October. This year it was in the first half of August. However, he also noted signs of real leadership are emerging. He has previously said it is not necessarily a choice between making money on the one hand and 'doing the right thing' on the other. On the contrary, once it is recognised 'business as usual' is unsustainable it follows naturally those organisations which start to develop resilient business models will be the ones that succeed.

"A panel discussion with CFOs followed his address.... In this, the CFOs debated the following statement *We have all the knowledge needed for a sustainable future. We just need to act upon it.* They commented the role of the CFO has now morphed into a custodian of value and CFOs who think sustainability has nothing to do with them, won't be in the role for long! They talked about practical ways their organisations are addressing sustainability and also the challenges they are experiencing. For example, one organisation had focused on managing the key element of natural capital critical to their operations and had made significant progress in improving their performance in this space. However, further analysis revealed they also needed to look at a second natural capital element, as their progress was partially at the expense of this.

"Supply chains are a significant challenge for many organisations to improve due to a lack of oversight and the sheer size of many of them. They look at the source, how they buy it and how they sell it. Organisations are working with members of their supply chain to improve sustainable outcomes, analysing the cost/benefits, helping them to benchmark their performance and then together they both make more money.

"Sustainability still does not feature on many Board room agendas, nor do related questions come up in investor meetings – there remains a focus on short term performance and metrics, e.g. quarterly reporting. The current lack of clarity about what a sustainable future actually means is also leading to inertia. Is it environmental, i.e. limit global warming to 2^o or something else? The investment industry is currently built around transactions – doing something rather than not doing it. However, many asset managers are focused on long term value creation and by positioning sustainability as being key to value creation, it can get greater traction for progress. Addressing organisational culture will also be part of the solution.

"There are a number of tools readily available to organisations really wanting to use them within their organisation, for example the capitals and basic methodology within the Integrated Reporting Framework and the Natural Capital Protocol. Whilst these tools are not perfect, they do aid decision making. Technology is a great enabler but solutions need to be practical and manageable. The UN Sustainable Development Goals also present a unique opportunity for businesses and nations to measure performance across all the goals. **

Continued next column

"So what do you think, do we have all the knowledge we need for a sustainable future?

More: www.accountingforsustainability.org/wp-content/uploads/2016/12/A4S-Summit-2016-Event-Report.pdf plus www.accountingforsustainability.org/summit-2016

Source: Karen McWilliams, CAANZ, LinkedIn, 7th Dec. ❖

Continued from previous column

**Some key takeaways from the event survey results;

- 67% of participants at the Summit said their organisations only planned for risk 1-5 years in advance
- 70% saw a need for culture change within their organizations for sustainability to become embedded
- 89% thought that it would have been valuable to have learnt more about sustainability during education or professional training
- 78% agreed that sustainability risks are changing their organisation's business models
- 77% thought the opportunities of embedding sustainability outweigh the costs.

Editor musings about the post;

- Sounds like another excellent annual event. At present my perception is likely 90%+ of CA's do not have the knowledge, or skills, or even an interest in a 'sustainability' focused future.
- Not surprisingly the most significant takeaway being, 89% of those at the conference perceive education of prospective CA's is the most significant action item. That seems to be a very clear signal for peak accounting bodies world-wide to embark on this in a very bold and decisive way, and not to 'dally'. ❖

Maximising Utility – Taking Measures of Wellbeing Seriously in Policy

"Governments and policy-makers across the world now pay at least lip-service to maximising the wellbeing of their citizens, rather than maximising GDP per capita. Calls in this direction have been made variously by Stiglitz-Sen-Fitoussi (USA-UK-France), David Cameron (UK), Bhutan, the OECD and the New Zealand Treasury to name a few. But what does a policy approach of maximising wellbeing look like? And what do we know about wellbeing in New Zealand, both absolutely and relative to other countries?

"This lecture examines what we know and don't know about wellbeing in New Zealand and examines how recent international results might steer economic policy-making in future. Drawing on work funded through a Marsden Grant of the Royal Society of New Zealand, it answers some questions and raises new ones in this dynamic sphere of public policy.

More: <http://motu.nz/our-work/wellbeing-and-macroeconomics/well-being-and-sustainability-measures/maximising-utility/> 67 page Power Point, 1.46Mb.

Published: 2015. Author: Arthur Grimes. Event: Treasury Guest Lecture Monday 5 October 2015.

Source: Tim Marshall, 12th December 2016. ❖

In Some Ways, Nothing Changed

"..... The [USA] elections last month changed a lot. But in some ways, nothing changed. Regardless of how easy or how hard Washington makes it, the real work of implementing life changing solutions is done in our businesses, in our homes, and in our communities.

"The years ahead will be challenging. Environmental and social protections will be rolled back. The work of implementing climate solutions will get harder, and the responsibility for solving the challenges will fall almost entirely to entrepreneurs and citizens on the ground. The work of Natural Capitalism Solutions is more important now than ever before. ...

More: Natural Capitalism Solutions newsletter <http://natcapsolutions.org/> [but not the newsletter.]

Source: Hunter Lovins, 14th December 2016. ❖

Greens Secure Two Important Bills from Ballot

"New measures that will sit alongside GDP to chart the nations progress, as well as compulsory country-of-origin labeling on food, will be debated in Parliament following today's [8th December] Members Bill ballot....

"The Bills are; Co-leader James Shaw's *Public Finance (Sustainable Development Indicators) Amendment Bill*, and MP Steffan Browning's *Consumers' Right to Know (Country of Origin of Food) Bill*.

"GDP is a highly imperfect measure of our country's progress', said Green Party Co-leader James Shaw.

"My bill will add new environmental indicators to our national set of accounts relating to changes to our biodiversity, air and atmosphere, water quality, land use, energy use, waste, and population.

"GDP has been increasing recently, yet this one measure of progress conceals declines in our overall prosperity and quality of life, like the rapidly diminishing state of our rivers and lakes, or the increasing levels of carbon pollution in our atmosphere.

"The way we define and measure progress goes to the very core of how we run our economy. If we change the measure, we're likely to change the outcome for the better', said Mr Shaw.

"My *Consumers' Right to Know (Country of Origin of Food) Bill* will ensure that New Zealanders will more easily be able to see where their food comes from', said Green Party food safety spokesperson Steffan Browning.

"Knowing where food comes from enables you to make informed decisions about what you're buying and how it was produced.

"For example, Kiwis would be surprised to learn that more than half of all pork on our supermarket shelves comes from overseas.

"We already have mandatory country of origin labeling for clothes and shoes; there is no reason why we can't extend this to food. Country of origin labeling is the norm overseas.

"New Zealand's food producers want it, New Zealanders want it — the time for country of origin labeling is now', said Mr Browning.

More: www.greens.org.nz/policy/cleaner-environment/public-finance-sustainable-development-indicators-amendment-bill plus www.greens.org.nz/policy/smarter-economy/consumers-right-know-country-origin-food-bill

Source: *Carbon News*, 12th December 2016.

Comment: The *Public Finance (Sustainable Development Indicators) Amendment Bill*, which is short and easy to read includes a brief overview of economic indicators and general, sustainable development indicators in general as well as NZ initiatives; www.greens.org.nz/sites/default/files/policy-pdfs/Public-Finance-Sustainable-Development-Indicators-Amendment-Bill.pdf Schedule 8 includes 36 indicators in 7 groups. The bill was first put forward by Kennedy Graham in 2010 per <http://pundit.co.nz/content/bringing-the-budget-down-to-earth-12-Dec-2016>. ❖

Bonuses

The Institute for Business Ethics calls for curbs on bonuses as part of wide-ranging executive remuneration and corporate governance reforms

More: www.ibe.org.uk/userassets/pressreleases/ibe_beis_cttee_pr.pdf

Source: CSEAR newsletter, 15th December 2016, Page 8. ❖

Human Rights Challenges for Business in 2017

The 13-page briefing explores the biggest challenges for businesses in 2017 and outlines how companies need to go beyond compliance and 'ticking the boxes' to delivering positive societal impacts. Although a key element of the document is to promote June 2017 conference by Ethical Corp the two articles merit reading and considering especially for entities which source products or do business offshore.

Need to sign up to gain access.

More: <http://1.ethicalcorp.com/LP=15507>

Source: Ethical Corp, 2nd December 2016

Plus: Institute for Human Rights and Business list of Top 10 Business & Human Rights Issues in 2017 published 10th December, international human rights day;

- Inequality: The business role
- GIG Economy: The rise of internet-enabled work
- Refugees: Setting strategies with business
- Trade Deals: Upholding human rights in a new era
- Supply Chains: Levelling the playing field
- Informed Consent: The realm of big data
- Free Speech: Responsibility in the age of social media
- Construction Workers: Building the world's infrastructure
- Accountability Mechanisms: Gaining momentum
- Automation: Preserving workers' rights

www.ihrb.org/library/top-10/top-ten-issues-in-2017. ❖

Sustainability Practices Dashboard

"Which world region saw a surge in sustainability disclosure in 2016? Which key environmental practices by companies have improved overall? Take a look at the complimentary key findings from this year's Sustainability Practices Dashboard report which provides analysis on 75 environmental and social practices of business corporations.

"The Conference Board Sustainability Practices Dashboard analyses the most recent disclosure of environmental and social practices by public companies around the world. The analysis is the result of a collaboration between The Conference Board, Bloomberg Data Solutions, and the Global Reporting Initiative (GRI). Please see the accompanying key findings report for a full description of the methodology.

More: www.conference-board.org/publications/publicationdetail.cfm?publicationid=7352¢erid=13&dm_i=4J5,4N6ND,36ZPW5,HCLZA,1
Publication Date: November 2016

Report Number: TCB-1616-Sustaina

Source: GRI, 8th December 2016. ❖

David Attenborough on Climate Change: 'The World Will be Transformed' – video

An extract from Liberatum's documentary *In this Climate*, in which a range of cultural and environmental figures including Noam Chomsky, David Attenborough and Mark Ruffalo respond to the threat of climate change and to the deniers. The full-length film is scheduled for release before the World Economic Forum in January 2017.

More:

www.theguardian.com/environment/video/2016/nov/29/david-attenborough-on-climate-change-the-world-will-be-transformed-video

Source: Jae Maher, LinkedIn, Sustainable Business Leaders in New Zealand, 30th November 2016. ❖

Contributions and feedback are welcomed.

Send your news items, handy hints, case studies, suggestions, comments and questions to Ray Skinner of *Sustainability Matters*.
eMail: ray@sustainabilitymatters.co.nz Phone: +64 (09) 443 0773 Web: www.sustainabilitymatters.co.nz