

Sustainability Matters

23rd Nov. 2017

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.**

1000 Profitable Solutions Sought to Solve Climate Change

Bertrand Piccard.

"When I was flying with my solar plane over the Atlantic Ocean, I remember looking at the sun that was giving energy to my four electric motors and their huge propellers. There was no noise, no pollution, no fuel... and I could fly for ever. At one moment I thought, 'This is science fiction, I'm in the future.' And then I realised, 'No, it's completely wrong, I'm in the present. This is what the technologies of today already allow me to do. It's the rest of the world that is in the past, with old and inefficient devices.'

"A rough estimation shows existing clean technologies and processes could divide by two the energy consumption of the world and therefore the CO2 emissions, if only they were implemented. Thousands of them are available everywhere, for everyone to use, but who knows about them? They are often hidden in start-ups or research labs. So few people realise how profitable, for both the industry and the planet, they have become! They create jobs, generate profit and boost economic growth.

"We want to find 1000 profitable and clean solutions to help governments, companies and institutions meet their environmental targets by adopting more ambitious policies. If you are working on innovative solutions, seeking how to use them in your daily lives or are keen to invest, we invite you to take part in our next big adventure!

More: <https://www.linkedin.com/pulse/1000-profitable-solutions-solve-climate-change-bertrand-piccard> plus www.solarimpulse.com

Source: *LinkedIn News*, 22nd November 2017. ❖

How the Alaska Pipeline Is Fueling the Push to Drill in the Arctic Refuge

"At *Yale Environment 360* this week, environmental historian Philip Wight examines a key factor behind the current drive to open up Alaskan wilderness to oil drilling: the need to keep feeding oil into the 40-year-old Trans-Alaska Pipeline, as low production and sluggish flows hamper its operations.

"The Republican-led Congress is working to open the Arctic National Wildlife Refuge to drilling, in large part, Wight explains, to boost the pipeline's oil flow, which has fallen by 75% from its peak. The Alaska Pipeline was built because the U.S. needed the oil following the 1973 Arab Oil Embargo, Wight writes, 'but decades later, when the country has abundant supplies of cheap oil, it is the pipeline itself that demands ever-more petroleum.'

More: <http://e360.yale.edu/features/trans-alaska-pipeline-is-fueling-the-push-to-drill-arctic-refuge>

Source: *Yale Environment 360*, 17th November 2017.

Editor: View the graph which shows annual volumes of oil transported via the pipeline. ❖

SUSTAINABILITY GROUP EVENTS

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



Announcements in 'due course'. ❖

What You Should Know About The Paradise Papers

"A year and a half ago, the International Consortium of Investigative Journalists and news organizations from around the world reported on the Panama Papers, an unprecedented leak from a Panamanian firm that specialized in starting shell corporations for the ultra-wealthy. Now, the ICIJ is back with a new leak, the Paradise Papers. Here's what to know about the leak.

"13.4 Million Files, From 1950 to 2016

"The 1.4TB leak is the second-largest of all time, following the Panama Papers (2.6TB):

"The name refers to a leak of 13.4m files. Most of the documents – 6.8m – relate to a law firm and corporate services provider that operated together in 10 jurisdictions under the name Appleby. Last year, the 'fiduciary' arm of the business was the subject of a management buyout and it is now called Eстера. There are also details from 19 corporate registries maintained by governments in secrecy jurisdictions – Antigua and Barbuda, Aruba, the Bahamas, Barbados, Bermuda, the Cayman Islands, the Cook Islands, Dominica, Grenada, Labuan, Lebanon, Malta, the Marshall Islands, St Kitts and Nevis, St Lucia, St Vincent, Samoa, Trinidad and Tobago, and Vanuatu. The papers cover the period from 1950 to 2016.

"Appleby helps clients reduce their tax burden; obscure their ownership of assets like companies, private aircraft, real estate and yachts; and set up huge offshore trusts that in some cases hold billions of dollars. The predominantly elite clients of Appleby contrast with those of Mossack Fonseca – the company whose leaked records became the Panama Papers – which appeared to be less discriminating in the business it took on. Much of the material makes for dull reading: Spreadsheets, prospectuses and billing statements abound. But amid these are documents that help reveal how multinational companies avoid taxes and how the superrich hide their wealth.

More: <http://diqq.com/2017/paradise-papers-explainer> plus https://en.wikipedia.org/wiki/Paradise_Papers plus https://en.wikipedia.org/wiki/List_of_people_and_companies_named_in_the_Paradise_Papers plus www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11940945 and www.oxfam.org.nz/news/oxfam-rigged-and-unjust-global-tax-system-crippling-worlds-poorest

Source: Oxfam, 6th November 2017

Editor: Note the alleged secrecy jurisdictions of NZ's close neighbours; Cook Islands and Samoa. ❖

Tallest Wooden Office Building – Wellington

"This week (10th August 2017), New Zealand's largest private prime office building owner Robert Jones Holdings unveiled plans for the construction.

"Laminated timber is far more earthquake-resilient and fire-resistant than steel or reinforced concrete and also more environmentally friendly, says Sir Bob. He is baffled as to why more developers haven't looked at laminated wood ...

More: <https://www.stuff.co.nz/business/95526075>

Source: *Acuity* Oct/Nov. 2017, page 16. ❖

New ISO Standard to Combat Land Degradation

"Our consumption of the earth's natural reserves has doubled in the last 30 years and a third of the planet's land is now severely degraded. There is an urgent need to find solutions for land management policy, planning and practices.

"A new ISO standard will help land managers at global and national scales put in place best practices to combat land degradation. The recently published *ISO 14055-1:2017, Environmental management – Guidelines for establishing good practices for combatting land degradation and desertification – Part 1: Good practices framework*, provides guidelines for developing good practices to combat land degradation and desertification in arid and non-arid regions.

"The standard refers to actions or interventions undertaken with the purpose of preventing or minimising land degradation or, where land is already degraded, aiding its recovery to improve productivity and ecosystem health.

More: www.ecovoice.com.au/new-iso-standard-to-combat-land-degradation/ plus www.iso.org/news/ref2233.html

Source: *eco-Voice*, 9th November 2017. ❖

Unlocking the Circular Economy

"Adopting a Circular Economy is the key to reduce waste, use resources efficiently, and cut carbon emissions. It requires innovation and clever partnerships to succeed. A disruptive approach is needed to redefine products and services, to design waste out and minimise negative environmental impacts.

"Locus Research and thinkstep are closing the gap between product development and sustainability through formalising their longstanding and successful partnership. Together, we'll enable our clients to fully embrace the circular economy.

"Join us as we launch our partnership and

- Hear why linking design and sustainability is 'The New Normal' from innovative leaders at Methven and UbcO Bikes
- Experience the Board Room version of our Circular Economy workshop series
- Pick up highlights from the first Australasian Circular Economy conference
- Discover funding opportunities to embed Life Cycle Thinking
- Celebrate the Circular Economy!

When/Where: Tues. 28th November, 4:00 – 6:00pm, PWC Tower, Quay Street, Auckland

More: www.eventbrite.co.nz/e/together-thinkstep-and-locus-research-are-unlocking-the-circular-economy-tickets-39677521535

Source: Mathias Nebel, thinkstep, 13th November 2017. ❖

How SDGs and Materiality Assessment Complement Each Other

"17 aspirational Global Sustainable Development Goals (SDGs) should transform the world we live in. The SDGs have attracted unprecedented interest from companies, investors and policy-makers. Despite this, many businesses and organisations remain overwhelmed by the challenge of applying them in a tangible business context.

"Meridian Energy and Sanford will share their experiences in how SDGs, materiality assessment and sustainability strategies combine to add business value. The role of universities to achieve the SDGs on a national level will be highlighted by Victoria's Assistant Vice-Chancellor (Sustainability) Marjan van den Belt.

"An update on their current status both in New Zealand and in a global context will be provided by thinkstep.

"A hands-on workshop will focus on gaining experience in how to get started using the SDGs.

When/Where: Wednesday, 29th November 2:30 – 6:00 pm, Victoria University of Wellington, Kelburn Campus

More: www.eventbrite.co.nz/e/how-sdgs-and-materiality-assessment-complement-each-other-tickets-39867632161

Source: Matthias Nebel, thinkstep, 15th November 2017. ❖

Is Well Being Economics Coming to New Zealand? – Colin James sees a major policy

Change coming

"Colin James noted in the *Otago Daily Times* this week [Last week of October] the NZ Treasury is to attempt to value natural, social and human capital in its 4-yearly investment statement which it will deliver next March. He sees this work in the context of the new government – he says wellbeing economics fits the incoming government's notion that the economy is a servant of society and dependent on natural resources. He adds this is a major policy shift – 'from social sticking plasters to a holistic approach' to social and environmental problems.

More: www.odt.co.nz/opinion/opportunity-ardern-over-wellbeing
Source: *Tieke: ECO Alerts & Events*, 1st Nov. 2017. ❖

Chocolate Industry Drives Rainforest Disaster in Ivory Coast

"The world's chocolate industry is driving deforestation on a devastating scale in West Africa, the *Guardian* can reveal.

"Cocoa traders who sell to Mars, Nestlé, Mondelez and other big brands buy beans grown illegally inside protected areas in the Ivory Coast, where rainforest cover has been reduced by more than 80% since 1960.

"Illegal product is mixed in with 'clean' beans in the supply chain, meaning that Mars bars, Ferrero Rocher chocolates and Milka bars could all be tainted with 'dirty' cocoa. As much as 40% of the world's cocoa comes from Ivory Coast.

"Many cocoa industry players – although not all – have pledged to end deforestation and forest degradation in a collective statement published in June. But this is a vague promise to try harder, while the real test will be the contents of the framework for action presented at the UN's Convention on Climate Change in November.

"Some of the farmers growing cocoa inside protected areas have been living there for decades, and how to resettle them and find them a new means of making a living is one of the major problems that the government and the industry need to work out in November.

"None of the companies said they would support a moratorium on deforestation cocoa, despite the fact one on soy worked well to stop deforestation in the Amazon. Neither did they say they would commit to 100% shade-grown cocoa.

More:

www.theguardian.com/environment/2017/sep/13/chocolate-industry-drives-rainforest-disaster-in-ivory-coast
www.mightyearth.org/chocolatesdarksecret/ plus
www.mightyearth.org/wp-content/uploads/2017/09/chocolates_dark_secret_english_web.pdf 24 pages, 2.78Mb and
<https://actions.sumofus.org/a/cadbury-s-stop-funding-this-environmental-crisis>

Source: SumOfUs, 30th October 2017

Editor: Long article with maps and graphs. ❖

The Answer to the Rise of Synthetic Food? – Go Organic, says West Otago Farmer

"Organic farmer Allan Richardson points out the rising demand for synthetic carpets harmed our wool industry. Will the rise of synthetic food do the same to our beef and lamb? He says New Zealand has a great deal to lose from the new companies which are making synthetic meats, and the solution for New Zealand dairy farmers is to go niche-market (as we did with wool): organic and without the current costly energy and chemical inputs that harm the environment. As he puts it, ...'producing ever more commodity products under a growing mountain of rural debt while impacting negatively on our environment is just plain stupid'.

More: www.stuff.co.nz/business/farming/opinion/98389032/take-the-farming-high-ground-go-organic [Long article.]

Source: *Tieke: ECO Alerts & Events*, 8th November 2017

Editor: Discusses looming risks for those farmers who choose not to act. ❖

What we Know – and Need to Know – About Sustainable Fashion

“We’re in the middle of New York Fashion Week, and it’s a good time to discuss sustainability in the apparel industry. Web searches for ‘sustainable fashion’ spike in the fall and spring fashion seasons, and McKinsey rated it as a top issue for the industry in its 2017 State of Fashion report. However, what makes fashion sustainable isn’t fully understood. Here’s what we know, and what we don’t.

“What we know;

- Consumers are buying more, and tossing more.
- Clothing demand will keep climbing.
- The fashion industry has a significant footprint on people, land and water.
- Cotton farming uses between 2.4 and 2.6% of global arable land, but is responsible for 24% of insecticides and 11% of pesticides.
- Many companies are using technological innovation to go green.
- Some companies are testing new, innovative business models that could address consumption.

“What we need to know;

- We need to know how to define sustainable fashion.
- Rental, resale and repair services are promising solutions, but they need more study.
- We need to know the carbon footprint of the entire industry.
- We need to know how much waste we are creating – and what to do with it all.

“Filling knowledge gaps;

- The first step is for clothing companies to embrace transparency....
- Understanding the environmental impacts of different business models is paramount if the industry is to evolve.
- We know that the take-make-waste model is not sustainable. But how much better are [other] models? ...

More: <http://snippets.energyts.com/snippets/20171102/story1.html>

Source: *Snippets*, 2nd November 2017.

Editor: A long article with numerous data items and more. ❖

Tourism Holdings Signals Plans for EV’s

“Electric vehicles are expected to make up a large part of the Tourism Holdings Ltd fleet in 18 months to two years, although a lack of infrastructure could hold back progress.

“THL chief executive Grant Webster is also thinking about autonomous vehicles, even autonomous camper vans, although that is in the distant future.

“We are at the mercy of the chassis suppliers but we are staying close to them.”

“However, he said in an interview charging infrastructure for electric motor homes and camper vans was not being rolled out fast enough for THL, and it might have to invest in its own charging stations around the country and at its own headquarters.

“Most people were focused on personal electric cars being charged at home.

“It became a different proposition when people started talking about a fleet of vehicles needing to be charged in some of New Zealand’s scenic attractions.

More: www.odt.co.nz/business/tourism-holdings-signals-plans-electric-vehicles

Source: Simon Harvey, 9th November 2017

Simon Adds: THL started their sustainability journey on the *Adding Sustainable Value* course, a Natural Step programme which provided their base strategic approach to sustainability. It’s amazing to see how far the company has taken it, and the commitments they’ve made to work towards sustainability. ❖

The Global Sustainable Competitiveness Index 2017

“We are living in a paradox world: the GDP has been growing, in recent years. Including – albeit modestly – in what was until recently considered the most advanced nations, for example the U or the UK. However, despite growing GDP, a large majority of its population is worse off than 30 years ago in those countries. The GDP is growing, but people are doing worse. What does that mean? It means the GDP is, at best, a somewhat imprecise measurement of the total financial wealth of a nation. It is based on a competitiveness model that does not incorporate the very foundations of a nation’s economic success – the GDP can rise even when a nation is in steep decline. The GDP, at worst, is an inadequate indicator based on which governments do or do not formulate and implement certain policies.

“In this light, SolAbility has developed the Global Sustainable Competitiveness Index (GSCI) – as a thorough alternative to the GDP to measure the real wealth of nations, and to express the potential for sustain current wealth levels.

“The Sustainable Competitiveness Ranking 2017 is dominated by European nations:

- Of the top twenty nations only three are not European – New Zealand on 13, South Korea on 16, and Japan on 20.
- Scandinavia covers the top 5 ranks. Sweden is leading the Sustainable Competitiveness – followed by the other 4 the Scandinavian nations.
- The top 20 are dominated by Northern European countries, including the Baltic states and Slovenia
- Germany ranks 14, the UK 22, and the World’s largest economy, the US, is ranked 29. The US ranks particularly low in resource efficiency, but also social capital - undermining the global status of the US in the future
- Of the large emerging economies (BRICs), China is ranked 32, Brazil 42, Russia 43, and India 121.
- Some of the least developed nations have a considerable higher GSCI ranking than their GDP would suggest (e.g. Laos, Timor, Burma, Bhutan, Suriname...)
- Asian nations (South Korea, Japan, Singapore, and China) lead the [Intellectual Capital](#) ranking. However, achieving sustained prosperity in these countries might be compromised by Natural Capital constraints and current high resource intensity/low resource efficiency
- The [Social Cohesion](#) ranking is headed by Northern European (Scandinavian) countries, indicating that Social Cohesion is the result of economic growth combined with social consensus
- Sovereign bond ratings do not take into account the underlying sustainability factors; they only describe symptoms, not causes. It is high time that credit ratings do take into account the basis of sustained wealth, because sovereign credit ratings [do not fully reflect investor risks](#).

More: www.environmentalleader.com/2017/11/175021/ plus <http://solability.com/the-global-sustainable-competitiveness-index/the-index> and <http://solability.com/download/the-global-competitiveness-report-2017/> 58 pages, 4.21Mb

Source: *Environmental Leader*, 9th November 2017. ❖

Electric Rental Cars Available for Hire in NZ

Blue Cars established in January 2015 now has electric rental cars available in Auckland, Christchurch, Waiheke Island and Whangarei. They also provide servicing and spare parts to support electric car owners, plus used EV’s from their facility in Avondale Auckland.

In addition they supply electric powered scooters.

More: <https://bluecars.nz>

Source: Consumer, 18th November 2017. ❖

World-Wide Achievements of a Small NGO

- "There's an old adage that 'we go faster alone, but further together,' and that's definitely the case with the Story of Stuff Community.
- "Most of the time you hear from me, it's to encourage you to contact a wayward company, support a grassroots partner with a donation, or share a movie we're releasing. Today I'm writing just to say thank you.
- "Over the past year, our million-person global Community has proven its power, creativity, and generosity time and time again.
- "Together, we've put the problem of polluting micro-plastics on the radar of companies and governments around the world, changing laws and policies along the way.
- "Together, we've put Nestle and other water bottlers on notice that water is a precious resource and human right, not a commodity to be bought and sold for profit.
- "Together, we've pushed back on the commercialisation of our children's lives and pushed forward solutions that will make our children's lives so much better in the years ahead.
- "I'm often asked how the Story of Stuff Project's small team of just 8 full-time staff accomplishes so much – the content we create and share, the campaigns we launch and win, and the support we provide to grassroots leaders fighting the good fight.
- "My answer is the same every time: our Community makes this all possible....
- "Over the coming weeks we'll be sharing some exciting news about the media projects we're working on next, from short videos exploring the plastic pollution crisis to a new series profiling extraordinary changemakers taking on their community's biggest challenges

More: www.youtube.com/watch?v=u6keyufZric&feature=youtu.be
3:43 video, plus <https://storyofstuff.org/>

Source: Story of Stuff, 10th November 2017. ❖

Shopping Refits, with Much Less Waste

- "Bayfair Shopping Centre in Tauranga has boosted its impressive reputation in sustainable business by working to maximise waste diversion when de-fitting stores.
- "Over the years Bayfair Shopping Centre has led the way on a range of sustainability initiatives. These include organic food waste collections, grey water harvesting and accessibility standards.
- "Now the busy Bay of Plenty centre is using the processes outlined in SBN's *Circular Economy Model Office Guide* to keep as much waste out of local landfill as possible when refitting its stores.
- "The business of taking out one store and putting in another is typically a very linear 'highway to the landfill' process. It contributes to the tonnes of construction and demolition waste we throw into holes in the ground every year. Bayfair is addressing this by looking for solutions to reuse, repurpose or recycle the resulting waste as much as possible.
- "..... 'It is part of New Zealand's biggest waste stream. We do so much recycling in the centre, then you go and watch the de-fit of a tenancy and see a skip on its way to landfill. We know that's not the right thing to do. So it's another waste stream we really want to target and reduce.'
- "The Centre is building in waste diversion requirements to the operating leases to embed the approach. And other contractors on site have now taken up some of the new practices, spreading the benefits further. The next step is to take a closer look at store design so that the right products and processes are in place to ensure stores can run more efficiently and be de-fitted more easily in this way.

More: <https://sustainable.org.nz/sustainable-business-news/circular-economy-shopping-refits-much-less-waste/>
plus <https://sustainable.org.nz/the-circular-economy-model-office-guide/>

Source: SBN, 21st November 2017. ❖

The Evolution of Communicating Environmental Reporting

- "..... it quickly became clear that how we communicate the reports' findings is almost as important as their content. That's especially true if the audience for the reports is defined as all New Zealanders, which it is. It's not just for scientists or policy analysts.
- "So in the time that we [MfE] and Stats NZ have been working together, the communication and engagement aspects of environmental reporting have evolved and grown significantly.
- "That evolution began with a reassessment of what the core product was, and how it should be presented. It rapidly moved from being mainly a scientific report to being something that's not only accessible to the general public (i.e. an easy read) but tailored to what they might want to know. It required a better balance of robust scientific data with digestible and useable information. Our products are now designed to provide easily consumable information that answers the 'so what' question – why New Zealanders should care.
- "That can be a tricky ask in one document, so we now develop multiple products for multiple needs; and create more opportunities for New Zealanders to engage with the information. That's important if the reports are to inform an ongoing national conversation about the issues, and hopefully mobilise people to action.
- "So we have shifted to products that are more visually appealing and strewn with bite-sized information, so people can either read it line by line or just flick through and still get the key findings. As well as a more 'easy to read' report, we also produce infographics, bite-size data tidbits for social media, video summaries, fact sheets and more.
- "We've also changed how we're delivering the information. It started being very media focused; with a press release and media conference being the key elements. We still work with media to spread the story, but we're increasingly going direct to our stakeholders and audiences, through events, social media and other digital channels....
- "We were extremely delighted by the engagement through this new approach – a 500-strong audience, seven questions from the floor (only stymied by the time constraints), 130 tweets over the course of the discussion, 2,500 views of our online videos, and a reach of 115,000 people on Facebook generating a 50% increase in our followers.
- "The feedback we've had has been very encouraging and we're looking to do more of this. ...

More: <http://pureadvantage.org/news/2017/11/09/evolution-communicating-environmental-reporting/>

Source: Pure Advantage (Penny Nelson), 10th Nov. 2017. ❖

How Change Happens

- "This is a great book. Although it is written for activists, I think there are great lessons and tools for everyone.
- "The book uses a systems thinking, which 'suggests problems are multiple, interrelated, and complex, solutions are unknowable in advance and likely to emerge through trial and error, and at least some villains are likely to also be indispensable allies in bringing about change.'
- "It shows that change happens on several levels and can begin in multiple ways. That's why we need to understand the intrinsic characteristics of each system, its feedback and dynamics within itself and with the rest of the systems.
- "One must accept 'you cannot understand and plan everything in advance. If each situation is different, so must be the response. It is about thinking and understanding complex adaptive systems in order to change the status quo.

More: www.goodreads.com/book/show/29952687-how-change-happens

Source: *Radar Magazine*, 16th November 2017. ❖

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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