

Sustainability Matters

1st February 2018

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.**

CA ANZ Continues to Engage with the UN Global Compact's Ten Principles

"As a non-business signatory to the UN Global Compact, Chartered Accountants ANZ is required to submit a 'communication on engagement' (COE) every second year.

"Our sphere of influence to advance the Global Compact and its principles extends beyond our membership to the organisations they work for and their clients. We are committed to embedding their principles in our strategy, culture and day to day operations, and to engaging in collaborative projects with the Global Compact Network Australia.

"The COE is a statement of our work and support of the Global Compact initiative. We support public accountability and transparency and therefore commit to report on our progress via the COE. Chartered Accountants ANZ has lodged its second COE with the UN Global Compact covering the period from 1 July 2015 to 30 June 2017.

"The COE reaffirms our support of the Global Compact principles and provides information on the actions we have taken as a non-business member to support the initiative.

"So what have we been doing?

"We have delivered a wide range of education programs related to the UN Global Compact Principles reaching over 3000 delegates in total. Sessions ranged from anti-money laundering and corruption to ethics training, from our CFO of the future program through to our flagship Business Forum which in 2017 was themed, 'Purpose beyond profit.' Not to forget our foundational CA Program's Capstone module.

"We have awarded research grants on topics such as integrated reporting and whistleblowing, and issued thought leadership papers as part of our *future[inc]* series on corruption and ethics in financial services.

"We have also continued to share the Global Compact principles through numerous blogs and *Acuity* articles. The UN Sustainable Development Goals were also the theme for a Chartered Accountants Worldwide event held in London in May recently and our local 2016 Leadership in Government Awards where Kofi Annan provided the key note address.

"Chartered Accountants ANZ continues to be an active member of the UN Global Compact Network in Australia and is committed to helping our members and their organisations contribute towards a more prosperous and sustainable future.

More: www.charteredaccountantsanz.com/news-and-analysis/news/chartered-accountants-anz-continues-to-engage-with-the-un-global-compacts-ten-principles plus www.unglobalcompact.org/system/attachments/cop_2017/424791/original/2017-10-05_UN_GC_COE_CA_ANZ.pdf and www.unglobalcompact.org/what-is-gc/mission/principles

Source: Karen McWilliams, CA ANZ, 31st January 2018.

Editor: Lodged 8th October 2017 the report covers the two years 1 July 2015 to 30th June 2017. ❖

SUSTAINABILITY WORKING GROUP

31st January 2001 was a milestone day. It was the day of the first gathering which led to creation of the Sustainability Working Group. The first national special interest group attached to the then NZICA ❖

State of the Planet! – NZ Inc

"2018 marks the first year EVER that we have begun with Greens in government – what a milestone!

"Every year the Greens deliver a State of the Planet speech, outlining our eco-centric approach to the world in which we live and our ambitions for change. I've just given that speech recently in Wellington.

"Basically, I outlined that we have a mammoth task ahead because the State of the Planet is bad:

- The Earth's mammals, birds, and fish, have declined by 58% between 1970 and 2012
- 239 million hectares of natural forest cover has been lost just since 1990
- In New Zealand three-quarters of native fish, one-third of invertebrates, and one-third of plants are threatened with, or at risk of, extinction
- We are overshooting the Earth's carrying capacity and simultaneously overloading that carrying capacity using the equivalent of 1.6 Earth's worth of resources every year
- More than 8 million tonnes of plastic are dumped into the ocean every year. New Zealanders use 1.6 billion single-use plastic bags every year, many of which end up in our oceans and on our shorelines
- Worldwide, we use one million plastic bottles every minute. On average, each New Zealanders uses 168 plastic water bottles a year
- Despite the signing of the Paris Agreement, current atmospheric concentrations of greenhouse gases are at 400 parts per million
- There are now 65 million forcibly displaced persons in the world, of whom 22 million are refugees
- The number of people living in extreme poverty remains unacceptably high with 767 million people living on less than two dollars a day and inequality is increasing at an extraordinary rate.

"It is bleak, very bleak. Yet the Greens won't back down from the challenges facing the planet and our species. And with every passing month and year that we don't face these challenges head on, means the task becomes even harder.

"I am enormously hopeful about the future. Because, I believe that we, here in little ole New Zealand, have it within our grasp to lead a breakthrough to finally, actually, put in place the architecture for a truly sustainable economy and to show the rest of the world how it's done.

"So what does this look like?

"For starters,

More: www.greens.org.nz/news/press-release/green-party-state-planet-speech-2018

Source: James Shaw, Green Party Co-Leader, 28th Jan.

Editor: Excellent speech. Regardless of political persuasion put side a few minutes to read; then decide.

Postscript: A blog post by Max Rashbrooke saying there was an important connection still not made; that between the problems and the solutions; <http://www.goodsociety.nz/some-thoughts-on-shaws-state-of-the-nation-speech/> per Tieke, ECO 31st Jan. 2018. ❖

Sanfords SDG's, <IR> and GRI Report 2017

"In 2017, Sanford has taken a step forward in deepening our understanding of opportunities the SDG [Sustainable Development Goals] framework provides to create value for Sanford and our stakeholders, whilst contributing towards achieving these global goals. We completed an impact review of our value chain and used this to assess the completeness of our material issues and strategies identified. In reviewing the SDGs with reference to international guidance, we have identified some areas of stretch that we have incorporated into the 'Future Focus' for each performance outcome, as reported here. This provides a sense of our future direction, including how we will deliver on outcomes that will bring us closer to our vision to become the Best Seafood Company in the World.....

"This Report has been developed in accordance with the International Integrated Reporting Council (IIRC) Integrated Reporting <IR> Framework. The new Global Reporting Initiative (GRI) Standard 2016 was applied to a core level of compliance, providing a picture of how we have created value. The GRI index is provided in Appendix E. For the first time we have been informed by the AA1000 Stakeholder Engagement Standard (AA1000SES) 2015, which has supported us in our commitment to deepen relationships with stakeholders. Unless otherwise indicated, the Report.

More: www.sanford.co.nz/assets/announcements/Sanford-2017-Annual-Report.pdf 170 pages, 7.41MB

Source: Editor, 18th December 2017

Editor: This might be the first time AA1000 has been used by a NZ reporting entity. The AccountAbility Principals Standard is a principles-based framework applied by organisations of all sizes, to identify, prioritise, measure and respond to sustainability challenges inclusively and accountably. ❖

Budget Priorities – NZ Government

"..... We need to move beyond narrow measures of economic growth and broaden the scope and definition of progress. Our economic strategy will focus on how we improve the well-being and living standards of all New Zealanders. We will build off the work the Treasury has done on its Living Standards Framework, as summarised on page 9, to develop a comprehensive set of environmental, social and economic sustainability indicators. These indicators will better show how we are performing as a country. [Page 7 ...]

"Climate change is the greatest challenge facing the world and has the potential to undermine our primary industries. Our response to it is an opportunity to develop new high-wage jobs. The Government's commitment is to sustainable development that allows for a just transition to a low-carbon economy. Work is already underway, under the Minister for Climate Change's leadership, to develop a Zero Carbon Act and an independent Climate Commission. Through the \$100 million Green Investment Fund, agreed with the Green Party of Aotearoa New Zealand, we aim to stimulate \$1 billion of new investment in low-carbon industries by 2020. This will contribute to both New Zealand's climate targets and to the sustainability of our economy. [Page 8/9]

[Table about the 4 capitals.]

More: www.beehive.govt.nz/feature/budget-update-2017 plus www.treasury.govt.nz/budget/2018/bps/bps-18.pdf pages 7, 8 and 9 and www.beehive.govt.nz/release/government-signals-new-approach-measuring-success

Source: Prime Minister, 14th December 2017. ❖

Environmental and Sustainability Advisor

"McConnell Dowell. The City Rail Link (CRL) project is an underground rail line linking Britomart and the Auckland city centre with the existing western line near Mt Eden in Auckland. We currently have an opportunity for an Environmental and Sustainability Advisor to join our project team based in Auckland CBD. This is an exciting opportunity for someone to work on one of New Zealand's first Infrastructure Sustainability rated ISCA projects from the early stages on of this high-profile Auckland project.

More: LinkedIn Jobs

Source: Editor, 30th January 2018. ❖

Creating Value – Benefits to Investors

Evidence shows that Integrated Reporting leads to improved forecasts of future cash flows and valuation according to investment fund managers. This is just one of a range of benefits set out in the IIRC's new Creating Value publication, which brings together the latest research and case studies.

More: http://integratedreporting.org/wp-content/uploads/2017/11/Creating_Value_BenefitsToInvestorsWeb.pdf, 24 pages, 7.21MB

Source: CSEAR, 7th December 2017, page 11. ❖

Prosperity Without Growth – Foundations for the Economy of Tomorrow

"The publication of *Prosperity without Growth* was a landmark in the sustainability debate. Tim Jackson's piercing challenge to conventional economics openly questioned the most highly prized goal of politicians and economists alike: the continued pursuit of exponential economic growth. Its findings provoked controversy, inspired debate and led to a new wave of research building on its arguments and conclusions.

"This substantially revised and re-written edition updates those arguments and considerably expands upon them. Jackson demonstrates that building a 'post-growth' economy is a precise, definable and meaningful task. Starting from clear first principles, he sets out the dimensions of that task: the nature of enterprise; the quality of our working lives; the structure of investment; and the role of the money supply. He shows how the economy of tomorrow may be transformed in ways that protect employment, facilitate social investment, reduce inequality and deliver both ecological and financial stability.

"Seven years after it was first published, *Prosperity without Growth* is no longer a radical narrative whispered by a marginal fringe, but an essential vision of social progress in a post-crisis world. Fulfilling that vision is simply the most urgent task of our times.

More: <http://timjackson.org.uk/ecological-economics/pwg/> plus www.radionz.co.nz/national/programmes/saturday/audio/201807651/tim-jackson-prosperity-without-growth 38:57 and www.goodreads.com/book/show/6489716-prosperity-without-growth

Source: Editor, via SAN blog, 18th January 2018. ❖

Plastic Found in Mussels from Arctic to China, Enters Human Food

"Tiny bits of plastic are contaminating mussels from the European Arctic to China in a sign of the global spread of ocean pollution that can end up on people's dinner plates.

"Mussels in apparently pristine Arctic waters had most plastic of any tested along the Norwegian coast, according to a study this month by the Norwegian Institute for Water Research (NIVA).

"Plastics may be getting swept north by ocean currents and winds from Europe and America, ending up swirling around the Arctic Ocean, NIVA researcher Dr Amy Lusher told Reuters Newsagency.

"Microplastics have been found in mussels everywhere scientists have looked", she said.

"Past surveys have found microplastics off nations including China, Chile, Canada, Britain and Belgium. Off Norway, the molluscs contained on average 1.8 bits of microplastic, defined as smaller than 5.0mm long, with 4.3 in the Arctic.

"Last year, Chinese researchers suggested that mussels could be a global 'bioindicator' of microplastic pollution because the molluscs live on the seabed where many plastics end up and, unlike fish, stay in the same place.

"Reuters reports the impact of microplastics on marine life or humans when eaten are unclear.....

More: <http://econews.com.au/56357/plastic-found-in-mussels-from-arctic-to-china-enters-human-food/>

Source: eco-News, 22nd December 2017

Editor: Plus see NZ Herald, 30th January, page A12.

http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11983980. ❖

Principal Advisor – Business Productivity and Sustainability

“The University of Auckland Business School is committed to the promotion of business productivity and sustainability principles. With the need to develop our industry engagement, we are looking for an experienced advocate to join the team in the capacity of Principal Advisor - Business Productivity and Sustainability.

“Reporting in to the Head of Department ISOM, this role has a fixed term duration of two years with clear expectations to achieve strategic objectives within this project time-frame.

“While this position sits within the Information Systems and Operations Management (ISOM) Department, it will also work closely with the inter-disciplinary Energy Centre hosted within the Business School and with staff in other departments which work in the area of productivity and sustainability.

More: LinkedIn Jobs

Source: Editor, 30th January 2018. ❖

Here’s a New Air Conditioner that Cools Without Warming the Planet

“The common home air conditioning unit has hardly changed since it was first invented a century ago; but researchers in Singapore recently unveiled new technologies that promise more energy efficient and environmentally friendly ways of cooling.

“Scientists from the National University of Singapore last week announced the development of a prototype of a sustainable air conditioning unit which uses water instead of refrigerants, and consumes 40% less electricity to operate, and can cool a space to as low as 18°C.

“Ernest Chua, associate professor from the university’s Department of Mechanical Engineering, told Eco-Business in a recent interview: ‘Current air-conditioners are based on technology that is a century old, and there’s not been any breakthrough in making air conditioning less energy intensive or environmentally friendly.’

“Instead of relying on HCFCs, the newly developed air conditioner can cool a room using rain water. It needs one litre of water to cool a master bedroom unit for 15 to 20 hours, said Chua. While regular air conditioners expel hot air as a by-product, the prototype releases humid air that is still likely to be cooler than ambient temperatures.

“This helps to avoid disrupting the urban microclimate outside, said Chua.

“The world could see an increase of over 1 billion new air conditioners by 2030 as climate change causes rising temperatures and the global middle class gains greater purchasing power. Southeast Asia alone could hit 10 million units by 2018, compared to the 6.5 million units installed in 2013

“The new means of cooling represented by the prototype would not only help conserve energy but also ensure that the environment is not sacrificed in mankind’s quest for thermal comfort, said Chua....

More: www.eco-business.com/videos/heres-a-new-air-conditioner-that-cools-without-warming-the-planet/

Source: eco-Business.com, 17th January 2018. ❖

Sustainable Development Goals Summit, 23 April 2018, Wellington

“This Summit has two aims. First, to inform and excite leadership across sectors by displaying international and national examples of government, business, civil society and academia using and measuring progress on the SDGs.

“Second, we must act quickly and develop cross-sectoral partnerships and collaborations for concrete actions to deliver on the 17 goals. This New Zealand Summit embodies Goal 17 - Partnerships for the Goals

More: www.confer.co.nz/sdg2018/

Source: Tieke: ECO Alerts & Events, 24th January 2018. ❖

Response to UK Government Corporate Governance Reform Green Paper

The Association of International Certified Professional Accountants responds to the UK Government’s proposals and its continued efforts to improve corporate governance, and strike the right balance between business, workers, society and investors. (November 2016)

More:

www.cimaglobal.com/Documents/External%20affairs/2017-02-22-CIMA-CGR-Green-Paper-ResponseFeb2017.pdf 27 pages, 1.24Mb

Source: CSEAR, 7th December 2017, page 12. ❖

Groundwater Use Could Be Significant Source of Carbon Dioxide

“Humans may be adding large amounts of carbon dioxide to the atmosphere by using groundwater faster than it is replenished, according to new research. This process, known as groundwater depletion, releases a significant amount of carbon dioxide into the atmosphere that has until now been overlooked by scientists in calculating carbon sources, according to the new study.

“The study’s authors estimate groundwater depletion in the United States could be responsible for releasing 1.7 million metric tons of carbon dioxide to the atmosphere every year.

“Based on these figures, groundwater depletion should rank among the top 20 sources of carbon emissions documented by the US EPA and IPCC. This would mean the carbon dioxide emitted through groundwater depletion is comparable to the carbon generated from aluminium, glass, and zinc production in the US, according to the study’s authors.

“We were somewhat surprised this hasn’t been accounted for in the literature and in the [EPA and IPCC] evaluations,”

More:

<http://onlinelibrary.wiley.com/doi/10.1002/2017EF000586/pdf> [Graphic] plus <https://eos.org/scientific-press/groundwater-use-could-be-significant-source-of-carbon-dioxide>

Source: NCGRT, 11th December 2017. ❖

The ‘Greatest Pandemic in History’ was 100 Years Ago – But Many of Us Still Get the Basic Facts Wrong

“This year marks the 100th anniversary of the great influenza pandemic of 1918. Between 50 and 100 million people are thought to have died, representing as much as 5% of the world’s population. Half a billion people were infected.

“Especially remarkable was the 1918 flu’s predilection for taking the lives of otherwise healthy young adults, as opposed to children and the elderly, who usually suffer most. Some have called it the greatest pandemic in history.

“The 1918 flu pandemic has been a regular subject of speculation over the last century. Historians and scientists have advanced numerous hypotheses regarding its origin, spread and consequences. As a result, many of us harbour misconceptions about it.

“By correcting these 10 myths, we can better understand what actually happened and learn how to prevent and mitigate such disasters in the future.

More: https://theconversation.com/the-greatest-pandemic-in-history-was-100-years-ago-but-many-of-us-still-get-the-basic-facts-wrong-89841?xid=PS_smithsonian

Source: New England Historical and Genealogical Society, 18th January 2018. ❖

How e-commerce is Changing Us and Our Planet

“All over the world, online shopping has become part of daily life, but have we thought about its impact on the planet and society as we know it?

More: www.eco-business.com/news/how-e-commerce-is-changing-us-and-our-planet/

Source: eco-Business.com, 20th December 2017

Editor: VERY LONG article. Includes a focus on consumerism and sustainability. ❖

PwC UK Sets Emissions and Renewables Targets for 2022

"PwC UK published new emissions and renewables targets for 2022. The audit, assurance, consulting, and tax services firm also reported on environmental progress made since 2007.

"The report *Acting on carbon: Our 10 year journey* articulates several new targets for 2022 using 2007 baselines. For total carbon, the firm aims to reduce their total operational carbon emissions by 40%. They plan to lower business travel carbon emissions by 33% per FTE. PwC UK also intends to maintain their energy reduction at 50% from the baseline while growing the business.

"In addition, PwC intends to purchase 100% of electricity from verified renewable sources within the next four years, eliminating Scope 2 carbon emissions. The firm plans to offset 100% of its total Scope 1, 2, and 3 carbon emissions as reported each year to remain carbon neutral.

"Since setting their first carbon emissions targets in 2007, the firm says it reduced the carbon footprint associated with energy consumption in its buildings by 77% during a time when the business grew by 44%. "Moreover, we've reduced our overall carbon footprint, including emissions associated with our travel, waste, and materials, by just under 30% ...

More: www.environmentalleader.com/2018/01/pwc-uk-targets-2022/ plus www.pwc.co.uk/who-we-are/corporate-sustainability/assets/documents/acting-on-carbon-lessons-learned.pdf 28 pages, 4.56 MB

Source: *Environmental Leader*, 30th January 2018.

Editor: Although the report says it is for the UK operation readers have to be mindful it is not for PwC world-wide. There is no mention of refrigerants (air con and refrigeration) which are a potent GHG – the focus is on carbon. In closing offices i.e. consolidation there is no reference to the changes in employee commuter travel. Nor does the report say why 2007 is the base year rather than 1990 which is the base year for IEU-15 Member States. Nor is there mention why overseas firms in the PwC family are not considered for performing work at overseas clients. Never-the-less a very good report. ❖

Chile Creates Five National Parks Over 10m Acres in Historic Act of Conservation

"Chile has created five sprawling national parks to preserve vast tracts of Patagonia – the culmination of more than two decades of land acquisition by the US philanthropists Doug Tompkins and Kristine McDivitt Tompkins and the largest donation of private land to government in South America.

"The five parks, spanning 10.3m acres, were signed into law on Monday by Chile's president Michelle Bachelet, launching a new 17-park route that stretches down the southern spine of Chile to Cape Horn.

"McDivitt Tompkins, the former chief executive of the outdoors company Patagonia, handed over 1m acres to help create the new parks. The Chilean government provided the rest in federally controlled land.

"McDivitt Tompkins has spent 25 years working on land conservation in Chile with her late husband Doug, who founded North Face and Esprit. Doug Tompkins died in a kayaking accident in Chile in 2015.

"This is not just an unprecedented act of preservation', said Bachelet, who flew to this remote Patagonian valley on Monday to receive the donation. 'It is an invitation to imagine other forms to use our land. To use natural resources in a way that does not destroy them. To have sustainable development – the only profitable economic development in the long term.'

"The creation of the parks marks the latest in a flurry of environmental protection laws which have brought Chile to the forefront of worldwide conservation efforts.

More: www.theguardian.com/environment/2018/jan/29/chile-creates-five-national-parks-in-patagonia

Source: *Carbon News*, 31st January 2018. ❖

Green Building Commitment by Top NZ Firms

"A powerful coalition of New Zealand business leaders has made a landmark commitment on energy efficient buildings.

"The coalition includes the chief executives of many SBN member organisations. They include Westpac, Fuji Xerox, Wellington City Council, Auckland Council, Opus International Consultants, Philips, Warren and Mahoney, Watercare, Jasmox and others.

"The coalition was coordinated by the New Zealand Green Building Council (NZGBC). Participating organisations have committed to signing up to at least one of two energy efficiency measurement tools – NABERSNZ or Green Star Performance.

"The group also intends to use this leadership position to pressure the government into doing more to support and promote building energy efficiency.

"A joint statement says: 'Our organisations together are worth billions of dollars. We employ tens of thousands of New Zealanders. We make a significant contribution to the national economy. We consume a significant amount of energy through the hundreds of buildings we own and occupy.

"Today, we are pleased to announce we will be making a commitment to greatly improve the efficiency of our buildings, and slash the amount of energy we use. We are doing this for a number of reasons: to improve our environment; to cut running costs; to look after the health of our buildings and our employees; and, mostly, because it's just simple common sense.

"It's time for our economy to shift in the direction we are taking, to take a cleaner, smarter, healthier and more efficient direction. It's time for all of New Zealand's buildings to make the shift that we are making. We are calling on the Government to back our commitment. To benchmark their energy use. To encourage all New Zealand organisations to become more energy efficient."

"The participants own hundreds of buildings across New Zealand. All of them now look set to cut their energy use. ...

"Making our buildings more energy efficient is a relatively cheap. It's a brilliantly effective, fast way to tackle climate change. It has the huge bonus of slashing energy bills. ...

"Commercial buildings use just over 20 % of NZ's electricity. This costs businesses NZ\$800 million every year"

"It also dovetails with SBN's work on the *Smart Office Guide and the Circular Economy Model Office*. It's a further demonstration of how this shift in thinking is taking hold and the power of what we can achieve when we work together."

More: <https://sustainable.org.nz/sustainable-business-news/green-building-commitment-top-nz-firms/>

Source: SBN, 19th December 2017. ❖

One City in China Has More Electric Buses than All USA's Biggest Cities Combined

"China is racing into what it calls its 'new energy' future, the country's term for electric-powered vehicles, and last week Shenzhen completed its transition to all-electric buses. The city's electric fleet now dwarfs the number of buses, both conventional and electric, in top US metropolitan areas, reports CleanTechnica.

"Shenzhen's transport commission said on 27th December it had transitioned its 16,359 buses to all-electric models. The city's 17,000 taxis are next (63% of them are already electric). China chose the city as a pilot for electric transit in 2009, now intends to expand the effort nationwide. [Graphic]

More: <https://qz.com/1169690/shenzhen-in-china-has-16359-electric-buses-more-than-americas-biggest-cities-conventional-bus-fleet/>

Source: Sein-Way Tan, LinkedIn, 3rd January 2018. ❖

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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