

Sustainability Matters

1st March 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.**

Why Climate Risks Matter to Business in 2018

"What's on the horizon for accountants in 2018? Sustainability, including climate change risk, is one of the headline issues and 2018 is shaping up to be an important year in this area in terms of business reporting.

"For CFOs and accountants drawing up annual reports for the end of the financial year (EOFY), the release of the Financial Stability Board's (FSB) Taskforce on Climate-related Financial Disclosures (TCFD) recommendations will be of major interest. It seems likely that large organisations will see resolutions from shareholders at their annual general meetings if they fail to address the impact of climate-related risks in this year's reporting season.

"When it comes to climate change reporting by business, the agenda has been set by the taskforce recommendations, together with two landmark 2017 speeches by the Australian Prudential Regulatory Authority (APRA) Executive Board Member Geoff Summerhayes.

"In February 2017, Summerhayes spoke about Australia's new horizon for climate change and said APRA considers that 'some climate risks are distinctly 'financial in nature'. Many of these risks are foreseeable, material and actionable now. Climate risks also have potential system-wide implications that APRA and other regulators here and abroad are paying much closer attention to."

...
"So far, 237 [Australian] companies with a combined market capitalisation of over \$6.3 trillion have publicly committed to support the TCFD recommendations by the board. Summerhayes noted the widespread support for the recommendations.

"Chartered Accountants Australia and New Zealand's CEO Rick Ellis is one of those to publicly support the TCFD recommendations. Other organisations include some Big Four accounting firms, ANZ, NAB, BHP, Qantas, Westpac and APRA itself. Investors have also shown significant support for the recommendations, with over 150 financial firms, responsible for assets of over \$81.7 trillion signing a statement of support. ...

More: www.acuitymag.com/business/why-climate-risks-matter-to-business-in-2018

Source: *Acuity*, CA ANZ, 23rd February 2018. ❖

'Do You Have a Moment?' – Potential for Serious Consequences Ignored

"Don't get caught short-sighted. Watch this short film from the World Business Council for Sustainable Development (WBCSD) to learn about how important it is to value your company's relationship with nature. You'll also see how some businesses are already leading the way.

More: <http://naturalcapitalcoalition.org/natural-capital-a-short-film-series-from-wbcd/> 6 minutes

Source: Natural Capital Coalition, 12th December 2017. ❖

SUSTAINABILITY WORKING GROUP

The report on *Sustainable Development Reporting* of the Taskforce on Sustainable Development Reporting, established by the then Institute of Chartered Accountants of NZ, continues to merit reflection even though issued Oct 2002. There's a link from 'Notes' at www.sustainabilitymatters.co.nz/resources/books-and-other-media/. ❖

NZ's Environmental-economic Accounts: 2018

"*Environmental-economic Accounts:2018* presents a summary of New Zealand's stocks and flows of natural capital (environmental assets) measured to 2016, the economic activities being undertaken to protect the environment and other information that show the interactions between the environment and the economy.

"This report includes accounts for:

- Physical stocks of land cover, timber, and water
- Monetary stocks of timber, fish, and renewable energy resources
- Annual resource rents for fish, timber, minerals, and renewable energy
- Physical flows of air emissions (greenhouse gases)
- Environmental protection expenditure by central and local government, and environmental taxes.

"We also include:

- Physical estimates of carbon stored and sequestered by forests and a range of potential monetary values for carbon sequestration as an ecosystem service
- Estimates of the marine economy in terms of GDP and jobs
- Estimates of the renewable energy generation sector in terms of gross domestic product and jobs.

"We compiled the information using the System of Environmental Economic Accounting (SEEA) framework, which the United Nations adopted in 2012 as the international standard for measuring the interactions between the environment and the economy

More: www.stats.govt.nz/assets/Uploads/Environmental-economic-accounts-2018/Download-data/environmental-economic-accounts-2018.pdf 65 pages, 1.92Mb, plus www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12002797 and www.linkedin.com/pulse/environmental-economic-accounts2018-adam-tipper/ [Graphic], plus www.stats.govt.nz/news/greenhouse-gas-emissions-rise-but-at-a-slower-pace-than-economic-growth

Sources: *Carbon News* 27th February, plus *NZ Herald* page A12 and Adam Tipper, LinkedIn 28th February 2018. ❖

System for Environmental-Economic Accounting (SEEA)

For more about SEEA;

More: <https://unstats.un.org/unsd/envaccounting/seea.asp> plus <https://seea.un.org/content/about-seea>

NOTE: ICAEW is heavily engaged with the Natural Capital Coalition (NCC) and is reaching out to other accounting bodies including engaging with entities in Australia. ❖

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ASB Bank, Queen Street branch, Auckland.

Greenwashed Timber: How Sustainable Forest Certification Has Failed

"The Forest Stewardship Council was established 25 years ago as a partnership between environmental, social, and economic groups to create an international system for certifying sustainable wood. But as journalist Richard Conniff reports this week at *Yale Environment 360*, the program has had minimal impact on tropical deforestation and has not prevented illegal logging in some forests it has certified.

"Recent investigations have found that some FSC-certified wood from China, Peru, Romania, and Russia was not sustainably harvested, suggesting 'the FSC label has at times served merely to 'greenwash' or 'launder' trafficking in illegal timber', Conniff writes.

More: <http://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

Source: *Yale Environment 360*, 23rd February 2018. ❖

Tax Changes in China Driving Big Environmental Changes

"Detailed rules for China's environment protection tax law take effect on 1st January 2018, which specifies taxation targets, the tax-setting basis, conditions for tax reduction and exemptions as well as tax collection management. *Xinhua News* reported 'Under the new law, which targets enterprises and public institutions that discharge listed pollutants directly into the environment, companies will pay taxes for producing noise, air and water pollutants as well as solid waste.'

"Following the law, an efficient comprehensive damage compensation system to repair damage, including to the air, water, soil and forests will be implemented throughout the country by 2020.

"With the improvement of policies and tax laws, great demands for pollution solutions from both municipal and industrial fields are expected. To better serve end-users, domestic enterprises are eager to upgrade their business by introducing more suitable and efficient technologies while cooperating with other parties with rich relevant experiences. As Asia's leading trade show for environmental technology solutions in water, waste, air and soil, IE expo China 2018 is undoubtedly the ideal platform for professionals in the industry to develop business, exchange idea and do networking.

More: http://www.ie-expo.cn/enews/IE_20180107/en/

Source: IE expo China 2018, 16th January 2018 (via eco-Business.com). ❖

Can the World Find Solutions to the Nitrogen Pollution Crisis?

"In the past half-century, humans have increased the amount of nitrogen in the environment more than any other major element, with more and more nitrogen pouring into waterways, unleashing algal blooms, and creating dead zones. This week at *Yale Environment 360*, journalist Fred Pearce reports on a new five-year, \$60 million scientific initiative to find solutions to the world's nitrogen pollution crisis.

"Half the world's crops today are grown with the aid of nitrogen fertilisers, which are being used less efficiently than ever before. The bottom line, the researchers say, is we must halve the amount of nitrogen we dump into the environment by mid-century if we hope to avoid ecological disaster.

"To do that, they say, will require, among other things, almost doubling the efficiency of nitrogen used on the world's farms. 'We've done pretty well feeding the world', says one scientist. 'But now we have to address the fallout from that.'

More: <http://e360.yale.edu/features/can-the-world-find-solutions-to-the-nitrogen-pollution-crisis>

Source: *Yale Environment 360*, 9th February 2018.

Editor: NZ features on the map which shows coastal sites where anthropogenic nutrients, such as nitrogen from fertilisers, have exacerbated or caused low oxygen levels in the water, leading to dead zones. ❖

Report – Responsible Business

[Published in *The Times* and *Sunday Times* November 2017]

"Global issues of climate change and sustainability are heating up as corporations begin to take notice of their responsibility to the world from which they profit. The Responsible Business special report, published in *The Times*, features sobering commentary on the state of our planet, along with inspiring insights into how social enterprise is helping communities, success stories from Costa Rica and analysis on how communication is the key to change. Also featured is a hard-hitting look into lessons to be learnt from indigenous people, and an infographic on the race for green energy shows the top consumers of renewables and global investment.

More: www.raconteur.net/responsible-business-2017 plus <https://raconteur.uberflip.com/i/906223-responsible-business-special-report-2017> 16 pages, 1.57Mb

Source: Natural Capital Coalition, 12th December 2017.

Editor: Of particular interest to accountants(!) is likely to be the page 15 article 'Only when we reboot the financial system, will the movement towards a more equitable, inclusive and sustainable world get the traction and scale we need.' There's much more of course. ❖

Do Algae Excite You?

If algae do excite you then the 8th European Algae Industry Summit could be your 'cup of tea'. If not maybe it should.

When/Where: 25th & 26th April 2018 in Vienna, Austria.

More: http://www.wplgroup.com/aci/wp-content/uploads/sites/2/2017/11/EALe8_Agenda_MKG.pdf

Source: ACI (Active Communications International, Inc), 15th February 2018). ❖

Eco Design Advisor Annual Conference

"The annual Eco Design Advisor conference is where research and policy meet best practice advice for households. This year, the theme is particularly relevant: Guaranteeing Healthy Homes.

"The conference promises the latest research from building scientists, central government policy and implementation, case studies and design insights from architects, designers and building professionals, and grassroots perspectives on improving our homes (including some innovative community approaches).

"The Eco Design Advisor conference provides a unique perspective for the housing sector and is highly valued by practitioners, architects and designers, researchers and building professionals as a multi-disciplinary forum for sharing research, policy, case studies, innovative ideas, and best practice. It is steadily gaining a reputation as a key event in sustainable and healthy building education.

When/Where: 20th to 21st March, 223 Cuba St, Wellington

More: <https://www.eventbrite.co.nz/e/guaranteeing-healthy-homes-eco-design-advisor-conference-2018-registration-41553642062>

Source: *Tieke: ECO Alerts & Events*, 14th February 2018. ❖

Lecture: Prof Johan Rockström – Planetary Boundaries

The members of the Board of the NZ Centre for Global Studies, the Hillary Institute and the New Zealand Centre for Environmental Law invite you to their 2018 lecture by:

Prof Johan Rockström

Director, Stockholm Resilience Centre

Hillary Laureate 2017

The Planetary Boundaries: Implications for Global Governance in the 21st Century

When/Where: 3:00-6:00pm, Saturday 7th April 2018, University of Auckland, Owen G. Glenn Building

RSVP: By 23rd March to Lucy Stewart secretary@nzccgs.org.nz

More: www.nzccgs.org.nz/ plus www.hillaryinstitute.com/johan-rockstrom-2017/

Source: Stig Ehnbohm, 15th February 2018. ❖

Economic Growth is Not Compatible with Environmental Sustainability

“Growth for the sake of growth’ remains the credo of all governments and international institutions, including the European Commission.

“Economic growth is presented as the panacea that can solve any of the world problems: poverty, inequality, sustainability, etc. You name it. Left wing and right wing policies only differ on how to achieve it. However, there is an uncomfortable scientific truth that has to be faced: Economic growth is environmentally unsustainable. Moreover, beyond a certain threshold already surpassed by EU countries, socially it is not necessary. The central question then becomes: How can we manage an economy without growth?

“Economist Kenneth Boulding famously said: ‘Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist’. Ecological economists argue the economy is physical, while mainstream economists seem to believe it is metaphysical. Social metabolism is the study of material and energy flows within the economy. On the input side of the economy, key material resources are limited, and many are peaking including oil and phosphorus. On the output side, humanity is trespassing planetary boundaries. Climate change is the evidence of the limited assimilative capacity of ecosystems. It is the planet saying: ‘Enough is enough!’.....

“The uncomfortable truth to be faced by policy makers is the following:

1. Economic growth is ecologically unsustainable. The total consumption of materials and energy needs to be reduced, starting from developed countries.
2. Economic growth might also not be socially desirable. Inequalities are on the rise, poverty has not been eliminated and life satisfaction is stagnant.
3. Economic growth is fueled by debt (e.g. quantitative easing), which corresponds to a colonisation of the future. This debt cannot be paid, and the financial system is prone to instability (despite Basilea III)....

More: <https://metamag.org/2018/02/21/opinion-economic-growth-is-not-compatible-with-environmental-sustainability/>

Source: Malcolm Rands, *Facebook*, 25th February 2018. ❖

Go Green Expo – Auckland

“Covering a wide range of categories from Eco Home & Living to Household Products, Health & Beauty to Food & Beverages, ethical investments to Electric Bikes and Cars and even Pets!

“The *Go Green Expo* is your one-stop “shop” for everything you need for sustainable living.

“You will find a large range of diverse companies, brands and services at the show – the expo is dedicated to supporting green businesses across NZ, from tiny new products to household names

“The *Go Green Expo* [also] presents the *Better Food Fair*, dedicated to all things Organic, Paleo, Vegan, Gluten-Free, Raw & more. The ‘street food fair’, market, will run daily along side the *Auckland Go Green Expo* in the adjacent hall.

When/Where: 7th and 8th April, ASB Showgrounds Auckland

More: www.gogreenexpo.co.nz/

Source: Macey Paterson, Arada Promotions, 22nd Feb. ❖

Southland to Get Its Oats

“Southland province is researching an alternative to dairy farming in order to help reduce New Zealand’s greenhouse gas emissions from agriculture. The economic development agency, Venture Southland, looked for a crop that was best suited to Southland’s climate and soil and would offer farmers a similar return to that offered by dairy and lamb. The solution they came up with was oats. The climate and heavy soils of Southland make it very suitable for grain growing, and they use only 10% of the water of dairy. The oats can be made into a health beverage and exported to Asian markets.

More: www.newsroom.co.nz/2018/02/18/89428/southland-eyes-oats-instead-of-dairy

Source: *Tieke: ECO Alerts & Events*, 28th Feb. 2018. ❖

An Ecosystem for Environmental Education

“The theme for New Zealand Association for Environmental Education (NZAAEE) 9th Biennial Conference is: ‘*Ecosystem for Environmental Education - He Pūnaha Haurōpi mō te mātauranga a taiao*’.

“*Ecosystem for Environmental Education* represents the vast and interconnected network of individuals and organisations without whom our successes wouldn’t be possible.

“Throughout this conference, we’ll be exploring our own ecosystem and the ways we can nurture it to ensure its health for decades to come.

Two core streams will be explored:

- Celebrating and Strengthening Collaboration ...
- Expanding Environmental Education ...

When/Where: 18th – 20th April, Wellington Girls’ College

More: www.nzaeeconference.nz/

Source: *Tieke: ECO Alerts & Events*, 14th February 2018. ❖

Sustainability: Can Our Society Endure?

“Among the many ways that sustainability has been defined, the simplest and most fundamental is: ‘the ability to sustain’ or, put another way, ‘the capacity to endure’.

“Today, it is by no means certain our society has the capacity to endure – at least in such a way that the nine billion people expected on Earth by 2050 will all be able to achieve a basic quality of life. The planet’s ecosystems are deteriorating and the climate is changing. We are consuming so much, and so quickly, that we are already living far beyond the earth’s capacity to support us. And yet nearly a sixth of our fellow humans go to bed hungry each day: both an unnecessary tragedy and a source of social and political unrest.

“Meanwhile, our globalised world is more interconnected and volatile than ever, making us all more vulnerable.

“While sustainability is about the future of our society

More: <http://sustainability.com/sustainability/>

Source: SustainAbility, 6th February 2018. ❖

Dying Waters: India Struggles to Clean Up Its Polluted Urban Rivers

“Mumbai-based journalist Vaishnavi Chandrashekar reports on how a growing number of activists in India are heading to court to force municipalities and states to clean up the nation’s badly polluted urban rivers.

“India’s booming population and rapidly expanding cities have exacted a huge toll on the country’s waterways, now fouled with trash, sewage, and industrial waste and choked by development. In major cities across India, Chandrashekar writes, environmentalists and citizens are engaged in prolonged, seemingly intractable battles to clean up rivers, including the sacred Ganges.

More: <http://e360.yale.edu/features/dying-waters-india-struggles-to-clean-up-its-polluted-urban-rivers>

Source: *Yale Environment 360*, 16th February 2018. ❖

Small Steps Big Strides: Building Sustainable Habits at Home

“*300 Small Steps, Big Strides* is intended to build the foundational awareness and personal daily practices [within homes] needed for a workforce ready to move our institutions toward a sustainable society. Unlike others in the genre, this book provides more than a flowery ‘to-do’ list of environmentally and socially conscious actions. It ushers readers beyond the vague goal of ‘saving the world’ – detailing why and how to take action, and offering step-by-step guides with worksheets for tracking individual progress. Similar to the tools which support organisational transformation, this guidebook helps purpose driven people navigate their personal sustainability journey pages; includes index.

More: <http://www.stetsustainability.com/ssbs-home/>

Published November 2016, 300 pages

Source: Lucinda Brown (Vermont USA), 16th Feb. 2018. ❖

CFO Summit and Awards (NZ) 2018

This year the summit will explore;

- Global macroeconomics – trends and strategies in a turbulent market
- Trend watch – investigating what's on the radar for CFOs
- Growth, performance and strategic transformation
- Taking advantage of innovations in technology
- The future focused leader.

Speakers/Panellists include;

- Jonathon Porritt; Founder Director, Forum for the Future (UK)
- Wendy McGuinness; Chief Executive, McGuinness Institute
- John Paterson; Chief Financial Officer, Chartered Accountants Australia and New Zealand

When/Where: 15th March 2018, Auckland

More: <https://www.cfosummit.co.nz/>

Source: Advertisement *The Business, NZ Herald*, 16th February 2018. ❖

The Emergence of the Sustainability Manager in Business

"Ten years ago when I [Abbie Reynolds] got my first role in sustainability, as Corporate Responsibility Manager, there were only a dozen or so of us doing that sort of job in corporate New Zealand.

"However, in the past few years the number of sustainability roles has increased and grown in both prominence and influence. Many of our leading companies are committing serious resource, salaries and authority to them.

"In the past, sustainability and corporate responsibility roles were 'nice to haves', treated as peripheral to the real work of the organisation. This too is changing.

"Sustainability managers are increasingly at the heart of business operations, strategy and stakeholder relations. They are becoming more senior, often reporting directly to C-level roles, with a growing role as trusted advisor to the chief executive (CEO).

"This change, in just a few short years, is energising. Suddenly a career in sustainability also known as corporate social responsibility, is not only attainable, it is sought after ...

More: www.sbc.org.nz/news/2018/the-emergence-of-the-sustainability-manager

Source: Chris Tobias, LinkedIn like, about 21st Feb. 2018. ❖

John Tyndall 1820 – GHG Pioneer

"John Tyndall was born on the 2nd August 1820 in Leighlinbridge, County Carlow where his father served as a local police constable. After completing his early schooling in Carlow he began working for the Ordnance Survey as a draftsman in 1839 before immigrating to Great Britain in 1842 to continue his work, later finding employment as a land surveyor for various railway construction companies.

"John would go on to become a major figure in 19th century science. He provided the first experimental proof for Pasteur's germ theory of disease, the first scientific explanation for why the sky is blue, and crucially, was the first to realise the greenhouse warming effect of certain gases. He succeeded Michael Faraday as Director of London's prestigious Royal Institution laboratory in 1867.

"Several modern climate change institutes are named in his honour. He also gave his name to a process of light scattering through finely suspended particles which is universally known as the Tyndall effect. He was also a pioneering expert in the field of glaciology and visited the Alps annually from 1856 till his death. Two glaciers in Chile and Colorado are named after him as is Mount Tyndall in California and Mount Tyndall in Tasmania.

More: <https://www.irelandxo.com/ireland-xo/history-and-genealogy/ancestor-database/john-tyndall> plus https://en.wikipedia.org/wiki/John_Tyndall

Source: *Ireland Reaching Out*, 26th February 2018. ❖

To Fight Climate Change, We Have to Make Cooling a Hot Topic

"Technology has made life in the tropics safer, healthier and more comfortable. But our addiction to polluting, energy-guzzling cooling is causing an environmental crisis. How can cooling become a hot topic for policymakers?"

"A lack of understanding of the threat that air conditioning systems pose to the environment is masking a crisis created by these so-called 'carbon bombs in a box'.

"Governments, businesses and consumers must be made aware of the potential for more sustainable, energy efficient cooling to slow global warming and reduce humanity's carbon footprint, experts said.

"Speakers at the inaugural Asean Cooling Summit pointed out air-conditioning and refrigeration are responsible for 7% of global carbon emissions – double that of the aviation and maritime industries combined. By 2040, cooling could account for up to 40% of Southeast Asia's energy demand.

"Furthermore, renowned environmentalist Paul Hawken's prolific study of global climate solutions has suggested refrigerant management is the single most effective action to fight climate change.

"Cooling appliances such as refrigerators and air conditioners use fluorinated gases (f-gases) such as hydrofluorocarbons (HFCs) to keep temperatures low. F-gases are greenhouse gases thousands of times more heat-trapping than carbon dioxide. They are produced during the manufacturing process, leak if appliances are improperly maintained and are released into the atmosphere at the end of the appliance's life. Today, there are 9 million air conditioning units in circulation, a figure that will grow to 1.5 billion by 2030 and 2.5 billion by 2050 as the world heats up due to climate change and populations in the warmer Global South grow more affluent,

More: <http://www.eco-business.com/news/to-fight-climate-change-we-have-to-make-cooling-a-hot-topic/>

Source: eco-Business.com, 7th February 2018. ❖

Targeting Value: Setting, Tracking & Integrating High-Impact Sustainability Goals

"Targeting Value provides clear insights on the value to business of setting, pursuing, achieving and reporting on sustainability goals. The report also presents current best practices for ensuring goals deliver maximum business value and broader societal impact.

"Over the past three decades, Sustainability has observed and taken an active part in the evolution of private sector sustainability goal setting. Many goals have been developed in response to heightened external expectations regarding corporate sustainability performance and transparency on progress.

"While we recognise there has been substantial improvement in high-impact goal-setting (goals that drive positive environmental, social or economic impact and business value, and where the ambition is high enough to meet the sustainability challenge), this activity has been limited to a relatively small block of leadership companies, and even those leaders have a great more to learn and apply in this realm.

"For that reason, we continue to challenge the status quo regarding the nature and role of sustainability goals, asking:

"Our research identifies several key barriers to setting high-impact goals, as well as potential ways to overcome these challenges. We also identify lessons to apply and pitfalls to avoid when designing high-impact goals.....

When/Where: Wed. 28th Mar, 8am PST, 4pm GMT; Webinar <https://register.gotowebinar.com/register/5302791038170372355>

More: <http://sustainability.com/our-work/reports/targeting-value/> 41 pages, 7.14Mb

Source: Sustainability, 28th February 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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