

Sustainability Matters

26th April 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.**

Bill McKibben in NZ

"The wonderful Bill McKibben will be visiting Aotearoa in May on his global Fossil Free Acceleration Tour.

"Tickets are limited - click the links below to get yours!

"We will be setting-up livestream events in other centres. Get in touch if you are interested in hosting a livestream event.

"Since the release of his first book *'The End of Nature'* 25 years ago, Bill has become one of the world's most notable commentators on climate change. He is a founder of 350.org, a 2014 recipient of the Right Livelihood Prize, sometimes called the 'alternative Nobel,' and is a founding fellow of the Sanders Institute.

"This year he was instrumental in New York City's motion to sue five major energy companies for damages from climate change, and their decision to divest US\$5 billion from fossil fuel projects. He's going to inspire and let us in on global plans and next steps for a fossil free future!

When/Where:

- 7:00pm Sunday 6th May Embassy Theatre, Wellington
- 7:00pm Monday 7th May Town Hall Concert Chamber, Auckland

More: https://actionnetwork.org/ticketed_events/fossil-free-acceleration-tour-bill-mckibben-wellington and https://actionnetwork.org/ticketed_events/fossil-free-acceleration-tour-bill-mckibben-auckland

Source: 350 Aotearoa, 12th April 2018. ❖

Sewage Overflows Surged by 379% Last Year - Water New Zealand Report

"Sewage outflows like those which closed many Auckland beaches over summer have surged in number largely because of extreme weather events, a new sector-led review has found.

"And unless big steps are taken to significantly upgrade storm and waste water infrastructure, sewage will continue to spill into our beaches and waterways, Water New Zealand says.

"A report by the sector group that benchmarked council performance around drinking water, waste water and stormwater revealed there was a 379% increase in the number of sewage overflows to the environment caused by wet weather.

"The group's chief executive John Pfahlert said the impact of climate change means that without a concerted focus, more and frequent sewage overflows were likely to become the norm.

More:

www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12031102

Source: NZ Herald, page A14, 13th April 2018. ❖

SUSTAINABILITY WORKING GROUP

The first edition of what eventually became *Sustainability Matters* was issued on 6th May 2001. Titled **SOME NEWS and VIEWS!** it arose from the meeting held on 19th April – one of several held at various venues in Auckland preceding formal creation of the Sustainability Working Group. ❖

NZ's Government is Looking Into the Future of Tax - and Wants Your Opinion

"The UN estimates tax avoidance by big companies costs the poorest countries at least NZ\$154 billion every year.

"If we don't act now, we will continue to lose millions of dollars that could be invested in hospitals, schools, roads and housing and help thousands of New Zealanders and people in developing countries who depend on them every day. The longer we delay, the worse the problem will get and the more money we will lose. We must act now.

"This is our chance to make democracy work.

"Our government has established the Tax Working Group – a committee designed to examine further improvements in the structure, fairness and balance of the tax system. The Tax Working Group will be welcoming submissions from today until the end of April 2018.

"Oxfam welcomes our Government's Tax Working Group at this critical global moment when the world needs to reform its broken tax system.

"Oxfam is urging the New Zealand Government to stand in solidarity with the developing world and advocate for a new UN Global Tax Body that will ensure multinationals pay their fair share of tax - and we need you to do the same.

Submissions close: Monday 30th April 2018

More: <https://actions.oxfam.org/new-zealand/> plus <https://actions.oxfam.org/new-zealand/we-need-talk-about-tax/we-need-talk-about-tax/> and <https://taxworkinggroup.govt.nz/>

Source: Oxfam, 13th April 2018. ❖

Connecting Finance and Natural Capital

"The Natural Capital Coalition has released *Connecting Finance and Natural Capital: A Supplement to the Natural Capital Protocol* this week [4th week April], the first major supplement to the Natural Capital Protocol.

"We were hosted in Hong Kong by the Hong Kong Institute of Certified Public Accountants and had representation from across the region attending the event.

"The Supplement has been developed alongside leading financial institutions by the Coalition, the Natural Capital Finance Alliance (NCFA) and the Dutch Association of Investors for Sustainable Development (VBDO).

"It focuses on three key sub-sectors; banking, investment and insurance, and enables financial institutions to better understand the natural capital risks and opportunities associated with their direct operations, and their investment,

lending and insurance portfolios. To really understand how this contributes to the natural capital narrative, see the [10] case studies we have released alongside this.

More: <https://naturalcapitalcoalition.org/protocol/sector-guides/finance/> 80pages, 1.83Mb plus <https://naturalcapitalcoalition.org/tag/finance-sector-supplement-case-study/>

Source: Natural Capital Coalition, 24th April 2018. ❖

The Future of Everything: Why the Third Industrial Revolution Is a Risk to NZ

"Who is Jeremy Rifkin and why does he have economists worried? After Europe and China, his message of disruptive change is now stirring interest in New Zealand.

"Artificial meat gets you thinking. If it is another exponential technology – a wave breaking over the world in the next five to 15 years – how can the New Zealand economy survive?

"Auckland food futurist Dr Rosie Bosworth sounded the alarm bells at the Tipping Points conference, hosted by the Environmental Defence Society (EDS) last August.

"Bosworth says lab-grown meat only got going in 2013 when a Dutch university start-up – funded by the wealth of Google's Sergey Brin – managed to culture strips of beef muscle and produce a first hamburger patty.

"Now there are a whole host of high tech start-ups flooding into the field, aiming to make artificial yet realistic everything, from chicken and fish, to milk and even leather, she says

"Bosworth says it takes 23 calories of feed to grow a calorie of prime steak, but just 3 calories of nutrient solution to grow the same calorie of lab meat.

"Then there is the real saving to consider – the one that is about the saving of the planet.

"Conventional agriculture is the second largest source of greenhouse gas emissions. Farming beats even transport on that. And methane-farting cattle are the worst culprits.

"Bosworth says factories growing 'cellular ag' meat would slash land use, water use and climate emissions all by 90 to 95%.

"The world couldn't not do it. It would be like flicking off the switch on ecosystem degradation.

"Bosworth says cultured milk offers a similar environmental promise and so a similar threat to the New Zealand economy..... [Long article – a must read.]

More: www.stuff.co.nz/technology/102640438/the-future-of-everything-why-the-third-industrial-revolution-is-a-risk-to-nz

Source: Malcolm Rands, Facebook, 6th April 2018. ❖

Solar Panels – When Useful Life is Over?

"Solar power is having its hockey stick moment. Since the early 2000s, the amount of solar panels being installed worldwide has been growing exponentially, and it's expected to continue to do so for decades. By the end of 2015, an estimated 222 gigawatts worth of solar energy had been installed worldwide. According to a recent report from the International Renewable Energy Agency, that number could reach 4,500 GW by 2050.

"But the solar panels don't last forever. The industry standard life span is about 25 to 30 years, and that means some of the panels installed at the early end of the current boom aren't long from being retired. And each passing year, more and more will be pulled from service – glass and metal photovoltaic modules that will soon start adding up to millions, and then tens of millions of metric tons of material.

"It's not too far off that those are going to be coming off line, and we're going to have a waste management issue', says Garvin Heath, a senior scientist at the National Renewable Energy Laboratory and a solar power expert. 'It's fair to say that it's starting to become more widely recognised as an issue we're going to need to start working on pretty soon.' [Graph] ...

"Part of the problem is solar panels are complicated to recycle. They're made of many materials, some hazardous, and assembled with adhesives and sealants which make breaking them apart challenging.

More: <https://ensia.com/features/solar-recycling/>

Source: Carbon News, 17th April 2018. ❖

Bloomberg 2017 Impact Report Adopts TCFD Recommendations Including Scenario Analysis

"Bloomberg's 2017 Impact Report integrates for the first time the recommendations of the FSB Task Force on Climate-related Financial Disclosures (TCFD). A dedicated section on climate -related scenario analysis explores Bloomberg's business strategy under a 2°C or less scenario and under a scenario in which no concerted action is taken to mitigate climate change.

"Additionally, our annual report highlights Bloomberg's business approach to sustainability, which has resulted in more than US \$100 million in operational cost avoidance over the past decade and the integration of sustainable finance considerations into our products and services. The report also features an introductory letter by Mike Bloomberg and a series of case studies demonstrating how sustainability is integrated throughout the firm.

"At Bloomberg we have been a long believer that sustainable business is good business and our Impact Report continues to emphasise how we are proving the business case for sustainability' 'More disclosure on how companies will be affected by climate change will help investors make more informed decisions. We've led the work on TCFD and set an example by adopting the TCFD recommendations in our Impact Report.'

"The Bloomberg Impact Report has been third party verified, and is in accordance with GRI (Global Reporting Initiative) and SASB (Sustainability Accounting Standards Board) frameworks.

More: <https://3blmedia.com/News/Bloomberg-2017-Impact-Report-Adopts-TCFD-Recommendations-Including-Scenario-Analysis-And> plus www.bloomberg.com/impact plus <https://data.bloomberglp.com/company/sites/39/2018/04/Bloomberg-Sustainability-Impact-Report-2017-Web-2.pdf> and various reports at www.bloomberg.com/impact/downloads/

Source: Report Alert 17th April 2018. ❖

Every 2 Minutes Malaria Kills a Child

"April 25, 2018 is World Malaria Day [and also ANZAC Day]. This international observance recognizes the global efforts being done to not just control, but wipe out malaria. Despite good progress, there is still much work to be done to defeat this deadly disease.

"Save the Children — together with its partners, helps communities better prevent, quickly diagnose, and treat malaria. Eliminating the mosquitoes that cause malaria and providing protection against being bitten are our top priorities. ...

" In 2016, we supported the delivery of 6.5 million life-saving curative interventions among children under 5 years of age in 37 countries around the world. This included support for the treatment of 2.4 million cases of malaria, 1.6 million cases of pneumonia, 1.9 million cases of diarrhoea and 547,000 cases of acute malnutrition.

"And we reached more than 282,000 children directly with clinical services in humanitarian settings – emergency contexts such as conflicts, natural disasters and outbreaks of disease. ...

"To read more about our health and nutrition work, download one of the following reports or visit our resources page.

More: www.savethechildren.org/us/what-we-do/events/malaria-day plus www.savethechildren.net/what-we-do/health-and-nutrition

Source: Save The Children, 22nd April 2018. ❖

We Need a Safe Climate More than We Need Oil and Gas

"Jeanette Fitzsimons outlines why natural gas is not a bridge fuel to a zero-carbon future. A serious problem with gas is the fugitive emissions of methane from pipelines, wells, processing plants and the like, and methane is a far more potent greenhouse gas than Co2 (equivalent to 86 tonnes of Co2 over twenty years, which is the time frame we are now working with to get to carbon zero).

More: www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12031051

Source: *Tieke: ECO Alerts & Events*, 25th April 2018. ❖

Wrangler Shows Economic Benefits of Sustainable Cotton Farming

"Wrangler analysed dozens of scientific studies to show that sustainable cotton farming techniques improve crop yields and reduce costs while slashing greenhouse gas emissions.

"For the new report, called *Seeding Soil's Potential*, Wrangler's soil health advisors reviewed more than 45 scientific papers and reviews from academic, government, and industry researchers. Expert input came from the USDA's Natural Resources Conservation Service (NRCS), the Nature Conservancy, and the Soil Health Institute.

"In the US, cotton is farmed on around 12.5 million acres, accounting for 16% of global production. The denim manufacturer concluded that practicing sustainable cotton farming techniques results in the removal of three times the amount of greenhouse gas emissions from the atmosphere compared to conventional farming methods.

"The report says conventional cotton cultivation practices disturb and degrade the soil with tillage, bare soil surfaces, chemical inputs, and continuous monoculture crop production. Also, the value of strong and healthy soil can be underestimated, but there is burgeoning interest across the supply chain, from farmers to brands, to implement practices that build and protect the soil."

"Techniques highlighted in Wrangler's report:

- Conservation tillage
- Cover crops
- Conservation crop rotations ...

"Over 35 companies are committed to sourcing sustainable cotton by 2025, delivering a strong market signal for this type of work at the farm level. The jeans maker is partnering with US cotton farmers and plans to double the use of sustainably-farmed cotton by 2019.

More: www.environmentalleader.com/2018/04/wrangler-sustainable-cotton-farming/ and <https://vfc.app.box.com/s/xkwfeelf2pftgpdotejc4x97dvhv7sg> 16 pages, 3.25 Mb

Source: *Environmental Leader*, 17th April 2018

Editor: The techniques may be worth considering for other types of crops and in the NZ and Australia contexts. ❖

Monthly Electric and Hybrid Light Vehicle Registrations [NZ]

".... it looks like EV demand dropped in Jan/Feb, but the reality is imports from Japan were heavily impacted by the stink bug. The numbers highlight that the most popular EV, the used Nissan Leaf was significantly down on previous quarters, with some ascribing this to recent issues with the 30kw Leaf. But Kiwis still love them. They are not big fans of the stink bug however.

More:

www.transport.govt.nz/research/newzealandvehiclefleetstatistics/monthly-electric-and-hybrid-light-vehicle-registrations/
Graphs and data including analysis by market, location, EV's/1,000 population based on location, light EV's, pure EV's and ownership, new/used

Source: Chargemaster NZ Ltd, 13th April 2018. ❖

if you want big change, network it!

"ECO Vice-Chair Paul Bruce attended one of the Networked Change workshops being held around New Zealand earlier this month. The key message is: *if you want big change, network it!*

"Here Paul reports on his takeaways from the day:

"Tom Liacas ran a series of workshops around NZ on Networked Change Campaigns during April – these were hosted by Stephen Blyth at the Drug Foundation. A study of 47 campaigns, from all sides of the political spectrum, found that utilising networks increases the effectiveness of the campaigns. In particular, a group labelled 'directed-network campaigns', performed exceptionally well in terms of impact and force amplification. Three cases, Fightfor15, Not1More and the Keystone XL campaign were highlighted.

"Some very useful tools are made freely available at <http://netchange.co/reports>. And the emphasis is to create structures which allow supporters to do more than just sign a form.

"Four principles of network change were outlined:

- Be open to people power – allow customisation and adaptation;
- Create cross movement network hubs – connect, convene, serve partners and supporters;
- Frame a compelling cause – employ cultural story telling, it's sometimes useful to have super villains;
- Run with focus + discipline - be agile, test often, play the big game.

"A Campaign Design Grid can be used to help test your campaign against a set of criteria, and two successful networking campaigns in the USA.

More: <http://netchange.co/>

Source: *Tieke: ECO Alerts & Events*, 18th April 2018. ❖

Finance Key to Net-zero Economy – Shaw

"...., Green party co-leader James Shaw has launched a major push for corporate New Zealand to take stock of and disclose climate change risks.

"Shaw today launched New Zealand's first report on climate finance – which aims to shift investment away from the traditional carbon economy and into green alternatives - and would represent a turning point in the way business assesses climate change risk.

"New Zealand had typically looked at climate change spending as a sunk cost, he said.

"If you stop thinking of it as a cost and start thinking it as an investment then inherent in that is a notion of a return.'

"While the ban on offshore oil exploration was about the end of an era, Shaw said the report was about what came next.

"Yesterday we announced that in the future we don't want to be looking for any fossil fuel reserves in NZ's oceans. What that does is send a long-term signal into the market place.

"It has no effect immediately but it does say that there will be a point – 20 or 30 years out – where we are not usually fossil fuels as part of our energy mix.'

"The new report was a look at what's available in terms of climate finance and what New Zealand needs to do

More:

www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12032074 plus <https://yournz.org/2018/04/13/green-report-climate-finance-in-new-zealand/> and www.mfe.govt.nz/publications/climate-change/climate-finance-landscape-aotearoa-new-zealand-preliminary-survey 89 pages, 1.17mb

Source: *NZ Herald*, 13th April 2018. ❖

Food Giant Danone is Now the Largest B Corp In the World

"One year ago, the yogurt giant Danone merged with the organic and plant-based food giant WhiteWave, the company behind brands like Silk, Horizon Organic, and Earthbound Farm. Today, [12th April] the new company, now called Danone North America, became the largest certified B Corp in the world.

"The B Corp certification – which measures a company's environmental and social performance in detail, from carbon emissions to diversity, and then requires companies to share those results and adopt a new legal status – is something that has mostly been pursued by companies better known for their social missions. Patagonia is a B Corp. So are Ben & Jerry's and Seventh Generation, and social enterprises like Toast Ale, which brews beer from bread that would otherwise be wasted.

"When it went through the certification process, the company scored 84.9 out of 200. 'If you think of it as compared to the other 70,000 companies which have used our impact assessment, the average score for those companies – which have opted in to use this tool – is in the low 50s' ... So for Danone North America to come in at 84.9, it's quite remarkable.'

"Passing the assessment itself doesn't equate to being a perfect company; bottled water companies with a high enough score, for example, can be certified after some extra diligence, despite the sustainability challenges inherent to bottled water. Danone's parent company owns Evian and other bottled water brands, though these were not included in the assessment since they aren't part of Danone North America....

More: www.fastcompany.com/40557647/this-food-giant-is-now-the-largest-b-corp-in-the-world plus <https://www.linkedin.com/pulse/b-corp-longer-question-emmanuel-faber-1>

Source: *Report Alert*, 13th April 2018 and LinkedIn *Pulse*, 18th April 2018. ❖

Our Land 2018 – Warnings and Wake-up Calls

"A new report from the Ministry for the Environment shows 192 million tons of soil are being lost due to erosion from New Zealand's land every year into the oceans, and almost half of this is from pastures. Soil quality is poor in some areas, with 33% of tested sites showing excess phosphorus. Between 2012 and 2016 there was a 42% increase in the amount of land in Aotearoa given over to dairying, which is clearly having a massive impact on our water and soil quality.

"83% of our native birds, bats, frogs and reptiles are either at risk of extinction or threatened, an absolutely staggering figure. The conservation status of seven bird species, three gecko species and one species of ground weta is worsening. Between 1996 and 2012, 71,000 ha. of native forests, shrublands and native tussocks have been removed.

"You can see a useful infographic summarising the report on the MfE website here as well as links to the summary and full report, and the NZ Herald's Jamie Morton has a [long] article online summarising the findings.

"Environment Minister David Parker has responded, and is asking officials to draw up a National Policy statement for versatile land and high class soils.

More: www.beehive.govt.nz/release/environment-report-highlights-serious-land-issues plus www.mfe.govt.nz/publications/environmental-reporting/our-land-2018 134 pages 7.53MB and www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12035548

Source: *Tieke: ECO Alerts & Events*, 25th April 2018. ❖

The Most Important Climate Treaty You've Never Heard Of

"Raise a hand if you've heard of the Gothenburg Protocol.

"No? Well, you're in good company. This treaty has been called an 'unsung hero' in the fight against air pollution and climate change. It may be unknown in the United States, but it is a landmark international agreement, setting limits on how much black carbon and other pollutants countries can emit.

"Black carbon, or soot, is seen as a unique danger to the climate because its ability to accelerate warming in the atmosphere is many times stronger than carbon dioxide. It also speeds up the melting of sea ice. This double-whammy is responsible for a half a degree Celsius of warming in the Arctic so far....

"The Gothenburg Protocol, established in 1999, sets limits on nasty pollutants like sulphur dioxide, nitrogen oxides, ammonia and volatile organic compounds, which are hazardous to human health. (Some also contribute to global warming). The pact was amended in 2012 to include black carbon, as the world became more aware of the threat it posed....

"As evidence becomes clearer of the impact of black carbon on the Arctic and global climate change, the agreement faces a test: It still needs six countries before it becomes official policy, which may happen this year. The United States was an early adopter – just two days before President Trump took office.

"The protocol is rooted in the 1979 Convention on Long-range Transboundary Air Pollution, known as LRTAP, which was first organised to tackle the problem of acid rain. The idea is that air pollution isn't a local problem. What's emitted by industries, power plants and vehicles in one country can drastically impact another as pollutants are carried across borders.

"So here's a cheat sheet: What you need to know about the Gothenburg Protocol and the LRTAP convention, and why....

More: <https://insideclimatenews.org/news/11042018/climate-treaty-gothenburg-protocol-air-pollution-regulations-global-warming-science-black-carbon-lrtap>

Source: *Climate News*, 13th April 2018

Editor: Graphs – and very interesting. ❖

US Loses Bid to Halt Children's Climate Change Lawsuit

"A federal appeals court has rejected the United States government's bid to halt a lawsuit by young people claiming that President Donald Trump and his administration are violating their constitutional rights by ignoring the harms caused by climate change.

"By a 3-0 vote, the 9th US Circuit Court of Appeals in San Francisco said the administration had not met the 'high bar' under federal law to dismiss the Oregon lawsuit, which was originally brought in 2015 against the administration of Democrat President Barack Obama.

"It will be the first time that climate science and the federal government's role in creating its dangers will go on trial in a US court."

More: <http://econews.com.au/57029/us-loses-bid-to-halt-childrens-climate-change-lawsuit/#comment-2190403>

Source: *eco-News*, 9th March 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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