

Sustainability Matters

24th May 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.**

Getting Climate Smart: A Primer for Corporate Directors in a Changing Environment

"The impact of climate change on business is clear. Greenhouse gas emissions are warming the earth, and the temperature rise above 2°C will have significant impacts on people and the planet. This poses market risks and opportunities to businesses. Company leadership, including corporate boards are trying to understand how to make their businesses resilient in the face of climate change impacts.

"This primer is designed to help corporate directors get out in front of these issues. It is also to help them understand why climate change is a board-relevant issue, when climate change should fall within their mandate and how they can oversee climate-related risks and opportunities.

More: www.ceres.org/climatesmartboards 20 pages, 538kb

Source: Ceres, 17th May 2018

Editor: An excellent primer. In view of the main discussion it seems some key issues are not explicitly canvassed in the questions for directors on page 13 e.g. on supply chain risk. For many entities this could be their most significant risk category.

Page 14. Although various reporting tools are mentioned, throughout the primer, there is no mention of integrated reporting <IR>. This could be either an accidental oversight or a deliberate omission.

By implication 'Corporate Directors', should include those of entities not usually spoken of as 'corporates' e.g. local government. ❖

SYSTEMS RULE: How Board Governance Can Drive Sustainability Performance

"Today, many of the world's largest companies [entities?] are starting to integrate sustainability into their board governance systems, but too often board systems are still rudimentary and do not focus on material issues. In many cases, board governance for sustainability does not drive performance. In other words, it is ineffective.

"However, companies with the right board governance systems, including formal board mandates for sustainability, board expertise on sustainability, and executive compensation linked to sustainability, are more likely to have established strong sustainability commitments and are better positioned to deliver sustainability performance.

More: www.ceres.org/systemsrule 40 pages, 761kb

Source: Ceres, 17th May 2018

Editor: Another excellent easy to read Ceres document. ❖

SUSTAINABILITY WORKING GROUP

At its formative meeting held on 15th May 2001 it was agreed an inventory of frameworks for 'triple bottom line' and similar reporting should be compiled. The sub-group to be led by Shaun Collins audit manager with Deloitte. ❖

The Infinite Game: How to Live Well Together

"Whether we are competing for a job, building a business or championing a good cause, some days it can feel as if we are trapped in an endless competition for status, wealth or attention. Maybe if we learn to play the game and follow the rules we'll come out on top. But is life really a finite game – a game of selection and rules, winners and losers, players and spectators? In *The Infinite Game*, Niki Harré asks us to imagine our world anew.

"What if we are all part of a different type of game entirely – a game in which playing matters more than winning, a game that anyone can join at any time, a game in which rules evolve as new players turn up – an infinite game? Harré looks at our society (are people pawns or participants?) and ourselves (what kind of player would you like to be?) to offer an inspiring vision of how we might live well together.

More: <https://store.press.auckland.ac.nz/the-infinite-game/> plus www.newsroom.co.nz/@future-learning/2018/05/06/107383/people-arent-as-selfish-as-you-think-they-are

Source: SBN, 1st May 2018, plus Nikki Harre, 7th May and Tieke: *ECO Alerts & Events* 9th May 2018. ❖

Wellbeing in Abundance - Looking After Our Own Backyard

"Today [14th May 2018], Deloitte is proud to launch *State of the State 2018*, developed in partnership with Victoria University of Wellington's School of Government.

"The series of articles, entitled *Wellbeing in abundance: looking after our own backyard*, looks closely at the topic of wellbeing in New Zealand. It explores wellbeing frameworks, the relationship between social investment and wellbeing, and reviews alternative perspectives, providing recommendations for a way forward.

"With the Government's announcing a 'wellbeing Budget' in 2019, now is the time to come to grips with the potential impacts of wellbeing for all New Zealanders.

"**Article 1 – Wellbeing in abundance: looking after our own backyard:** Wellbeing – what is it, why should we care and what does measuring and fostering it mean for us and New Zealand? Deloitte New Zealand's public sector lead partner, David Lovatt, addresses these questions and more, laying the groundwork in the first article of our eight-part series.

More: <https://www2.deloitte.com/nz/stateofthestate> 8 pages, 2.85Mb

Source: Graeme Colman, 14th May 2018. ❖

Neonicotinoid Pesticides Ban by EU

On 27th April EU governments passed a near-total ban on the use of neonicotinoid pesticides on outdoor crops due to their impact on pollinators. Follows long battles.

More: <https://greennews.ie/eu-backs-near-total-ban-on-neonics/>

Source: SumOfUs, 28th April 2018. ❖

Mitre 10 to Remove Single-use Plastic Bags

"Mitre 10 shoppers will soon have to bring their own bags after the company announced they will cease using single-use plastic bags and boot liners.

"From 1st July, all 128 Mitre 10, Mitre 10 MEGA and Hammer Hardware stores across the country will no longer have either options available instore....

More:

www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12049071

Source: *Tieke: ECO Alerts & Events*, 16th May 2018. ❖

Plastic Bag Found in Mariana Trench; Deepest Place on Earth

"The discovery was revealed in a recently-established database that shows the deep oceans are awash with rubbish.

"Set up by the Japan Agency for Marine-Earth Science and Technology (JAMSTEC) in March 2017, the database lists 3425 items of human-made debris seen in the deep sea.

"The plastic bag found in the Mariana Trench was at a depth of 10,898 metres. That's not far from the very bottom, which scientists revealed to be 10,994m in a 2011 survey.

"The data shows the influence of land-based human activities has reached the deepest parts of the ocean in areas more than 1000km from the mainland', the study said....

"However, as the deep sea is likely to be the final destination of floating plastic debris, the frequent occurrence and widespread distribution of plastic debris in the deep sea, far away from populated coastal areas, indicate large numbers of plastic debris pieces are distributed throughout the water column and in the high seas.'

More: www.stuff.co.nz/world/103815176/Plastic-bag-found-in-Mariana-Trench-deepest-place-on-Earth

Source: *Tieke: ECO Alerts & Events*, 16th May 2018. ❖

Bill McKibben's 5 Big Messages on NZ and Climate Change

"Bill McKibben is founder of global climate campaign organisation 350.org. Last week [2nd week of May] he visited New Zealand, and told us to electrify everything as quickly as possible.

"Bill McKibben has become one of the world's most notable commentators on climate change since the release of his first book *The End of Nature* 30 years ago. *Foreign Policy* magazine named him on its inaugural list of the 100 most important global thinkers in 2009. He was a 2014 recipient of the Right Livelihood Prize, sometimes called the 'alternative Nobel'.

"His current mission is to rapidly accelerate a just transition to 100% renewable energy. The tagline for his current speaking tour is: 'Winning slowly is the same as losing – and losing is not an option'.

"Bill spoke exclusively to SBN members Tuesday 8th May. His message?

1. Electrify everything we can as quickly as possible. ...
2. The impact of climate change is easier to understand through the lens of risk. ...
3. The economy is a subset of the physical world, not the other way around. ...
4. Financial systems are moving faster than political systems. ...
5. New Zealand has an important role to play.

More: <https://sustainable.org.nz/sustainable-business-news/bill-mckibbens-5-big-messages-on-nz-and-climate-change/>

Source: SBN, 15th May 2018. ❖

NZ Buildings Create More Emissions than Previously Thought

"That's a huge increase from the Productivity Commission's estimate of between 2 – 5%.

"The carbon footprint of New Zealand's buildings currently takes into account operational emissions like heating and lighting.

"But the author of the Thinkstep report, Jeff Vickers, said their approach only took into account what was produced, not what was consumed.

"If you factor in the whole life cycle so taking account of production of the building products, also the operational energy and end of life, you get to a number that's 20% of New Zealand's total.

"It changes the game on how significant the built environment really is', he said.

"New Zealand Green Building Council director Sam Archer said the construction sector needed to get up to speed with the issue. They need to start thinking about 'can we build buildings better, can we be looking at the way we use concrete and steel?'

"Victoria University's Senior Lecturer at the School of Architecture Nigel Isaacs described the Thinkstep report as innovative and added it shouldn't be ignored.

More: www.radionz.co.nz/news/national/357300/nz-buildings-create-more-emissions-than-previously-thought-report plus www.thinkstep.com/content/hidden-building-pollution-exposed-new-report and www.thinkstep.com/content/carbon-footprint-new-zealands-built-environment-hotspot-or-not 30 pages 1.17Mb

Source: Mathias Nebel, 16th May 2018

Editor: Note: This report is intended as a conversation starter, rather than as a presentation of the 'right' answer; page 7. ❖

Creating Living Buildings (CLB) Short Course August 2018

"This is a powerful short course for clients, professionals, materials suppliers and community members. It's a great way to turbo charge your understanding of sustainable design and construction, your practice and aspirations and ground your sustainability knowledge in numerous local and international case studies. Start creating buildings that transform you, our industry and our communities.

"CLB is now in its 5th year and the 2 day course with six follow up webinars is led by Jerome Partington Chair LFNZ and Associate Principal at Jasmx. CLB covers Living Building Challenge V3.1 introduces the Integrative Design Process and guides you toward Regenerative Development. Guest lectures contribute to the course breadth.

"For clients, designers, engineers, product suppliers and contractors, it's a valuable opportunity to learn, dialogue and develop your practice in sustainable construction and integrative process with rich dialogue and challenging questions.

Where/When:

- Dunedin; Thurs/Fri 6th + 7th Aug, Otago Polytechnic
- Christchurch; Thurs/Fri 9th + 10th Aug, ARA Institute of Canterbury
- Auckland; Weds/Thurs 22nd + 23rd Aug, Sustainable Coastlines Education Centre

More: <https://www.op.ac.nz/study/sustainable-practice/creating-living-built-environments/>

Source: Living Future New Zealand, 14th May 2018. ❖

Product Announcement: Trucost SDG Evaluation Tool

"Trucost, part of S&P Dow Jones Indices, launched the Trucost SDG Evaluation Tool to help companies identify business risks and opportunities aligned with the United Nations Sustainable Development Goals (SDGs).

"Adopted in 2015, the 17 SDGs aim to end poverty, protect the planet, and ensure prosperity for all. Each goal has specific targets to be achieved over a 15-year period.

"The new evaluation tool provides a quantitative analysis of corporate performance on the SDGs across the value chain from raw material inputs to product use and disposal within the context of a company's geographic operations, Trucost says.

"The main features include:

- Scorecard of a company's overall SDG performance and individual scores for each goal, including positive contributions towards the SDGs as well as negative impacts
- Comparison of a company's performance relative to its sector and competitors
- Identification of the most relevant SDGs for a company with prioritised risks and opportunities
- A gap assessment showing the company where SDG investments may be optimized

"Several companies will be part of the inaugural application of the tool. Trucost says company practitioners include Aguas Andinas, AMD, ARM, HP, Iberdrola, Ingersoll Rand, Ørsted, Rockwool Group, S&P Global, and Tarkett.

"Over 9,000 companies and investors with more than \$4 trillion in assets have pledged their support to the SDGs, Seeking to translate awareness to action, the Trucost SDG Evaluation Tool is designed to provide data-led insights to assess and communicate progress to stakeholders.'

More: www.environmentalleader.com/2018/05/trucost-sdg-evaluation-tool/

Source: *Environmental Leader*, 12th May 2018. ❖

Time for More Government Leadership on the Sustainable Development Goals?

"Last month [23rd April] the SDG Summit in Wellington included representatives from across the New Zealand economy. Among the ideas raised was a call to have a government commissioner for the Goals.

"The 17 United Nations Sustainable Development Goals were first created in 2015. They cover everything from ending poverty to peace and justice. They have rapidly gained traction as a potential global framework for sustainability thinking.

"The Summit was well attended. But sustainability veterans noted the meeting was largely the usual suspects saying the usual things. Several speakers argued if the SDGs are to rapidly reach their potential as a 'common language' for sustainability and development, clearer leadership is needed. This will ensure the SDGs are much more widely understood and accepted.

"Professor Girol Karacaoglu is one of those leading the calls for a single point of government responsibility for the SDGs. He is Head of the School of Government at Victoria University of Wellington and a former chief economist at the New Zealand Treasury.

"The university is strongly advocating for a minister to be appointed to coordinate the implementation of the SDGs here. The idea was aired repeatedly. Currently, responsibility lies across a number of government departments.

More: <https://sustainable.org.nz/sustainable-business-news/time-government-leadership-sustainable-development-goals/>

Source: SBN, 1st May 2018. ❖

WasteAid Photography Competition *The Wonders of Waste*

"Do you see beauty in waste?"

"WasteAid is launching its first photography competition, with the theme "The Wonders of Waste".

"Waste materials, recycled products, and even recycling processes can be beautiful. This is your chance to inspire everyone with your artistic take on waste as a resource.

"Your photo might capture people working with waste, some visually interesting machinery, a collection of materials, or even an interesting object made from waste.

"Competition runs from 1st May to 31st July 2018 and is world-wide.

More: <https://wasteaid.org.uk/photo2018/>

Source: Paul Morgan, LinkedIn, Environmental Consulting Professionals, 9th May 2018. ❖

Materiality: Driving Integrated Thinking

"The discussion of materiality has been a foundation of both financial reporting and more recent frameworks for sustainability and integrated reporting. Recognising the unique nature of each enterprise, a discussion of materiality serves to identify which aspects of the operational environment internally and externally should be reported on, as being key to transparency and understanding. ...

"Reviewing the statements of materiality in existing reports using the integrated reporting model seem to raise the question as to whether a shift to integrated thinking is occurring? As an example, the 2016 report of Sun International identifies the approach to materiality, but then places the responsibility with the financial team – i.e. a somewhat traditional approach?

"If integrated thinking is being demonstrated then not only should the discussion and decision making on materiality be cross-functional and reflect consideration of ALL capitals, its results should clearly reflect a broad base of attributes relative to strategically important elements within and across the capitals. For many organisations there is a close connection between performance as measured by financial capital outcomes and the effectiveness with which the financial capital consumed is being utilised. The integrated reporting model clearly provides for communicating such a relationship as being key to understanding business effectiveness, yet there is almost never any discussion in materiality of two of the most critical aspects. ...

"If integrated reporting is to be an effective change agent in shifting capitalism and corporate thinking towards a balanced approach where all capitals are critical to sustainability and enterprise survival, then a key starting point must be the discussion around materiality and the six capitals.

More: <http://integratedreporting.org/news/materiality-driving-integrated-thinking/>

Source: Nick Shepherd, Ontario, Canada, 10th May 2018. ❖

NZ's Largest Farmer Embraces Future as Envisaged by Labour Government

"There has been plenty of discussion on New Zealand farms after Environment Minister David Parker's recent musings about the need to restrict on-farm activity in some regions to help clean up waterways.

"He pointed to Pāmu, the nation's largest farming company, as an example of how it could be done. [Very interesting story. Start now. Less is more. Focussing on value is critical.]

More: www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12055861

Source: *NZ Herald*, page B4, 22nd May 2018. ❖

Resource Management Update

"This MfE quarterly newsletter designed for planning, policy and consenting staff and managers in district, city and regional councils seems a good resource on matters 'environment' for NGO's and citizens who take a keen interest in such matters. Rick Fisher who teaches at the Open Polytechnic wishes he had known of it years ago!

"From the same page subscriptions can be lodged for a wide range of individual topics;

Air	Biodiversity	Climate change	Energy
Environmental reporting and data sets			Funding
Hazards	International agreements		Land
Legislation and regulations			
Marine Natural hazard management			
Towns, cities and urban issues			
Waste minimisation and resource efficiency		Water	

More: <http://www.mfe.govt.nz/subscribe>

Source: Rick Fisher, OPNZ, 10th May 2018. ❖

New Phase of Globalisation Could Worsen CO₂ Pollution – Study

"The shift of low-value, energy-hungry manufacturing from China and India to coal-powered economies with even lower wages could be bad news for the fight against climate change, researchers cautioned Monday.

"As Asia's giants move up the globalisation food chain, many of the industries that helped propel their phenomenal growth – textiles, apparel, basic electronics – are moving to Vietnam, Indonesia and other nations investing heavily in a coal-powered future. ...

"The point is driven home by a second study showing the planned expansion of coal-fired energy in Turkey, Indonesia, Vietnam and other 2nd-generation emerging economies could wipe out efforts in China and India to slow coal consumption.

"Beijing and New Delhi have each cancelled more than 50% of planned coal-fired power plants, yet global coal investment continues to soar.

"New coal-fired power in Turkey and Vietnam, for example, would see their CO₂ emissions from coal increase four and ten-fold, respectively, from 2012 to 2030, according to the study, published in Environmental Research Letters.

"Money earmarked for coal development in Egypt has increased eightfold since 2016, while it has nearly doubled in Pakistan.

"Although the costs of renewables have recently fallen, they still can't compete with cheap coal in many parts of the world', said co-author Jan Steckel, a researcher at the Mercator Research Institute on Global Commons and Climate Change in Berlin.

"The study also notes China is increasingly investing in coal-fired power plants abroad.

More: www.afp.com/en/news/824/new-phase-globalisation-could-worsen-co2-pollution-study-doc-14x90j2

Source: *eco-News*, 16th May 2018. ❖

The Circular Economy Opportunity for Auckland and How Business Can Realise It

"SBN research shows Auckland could be \$8.8 billion better off in 2030 if the city makes the transition to a circular economy. Find out how in the first economic report of its kind in New Zealand.

More: <https://sustainable.org.nz/circular-economy-report-for-auckland-download/> 47 pages, 7.99MB

Source: SBN, 10th May 2018. ❖

Hawke's Bay eco-business Churns Organic Waste to Energy

"Mike Guilford's self-contained waste remediation system could be a game-changer for commercial waste producers.

"His invention, which came about after he drew the idea on a whiteboard about 11 years ago, can convert any organic material into methane gas by process of anaerobic digestion.

"The gas is harvested and used to run a generator plant, which in turn powers the system – meaning no energy bills.

"The system, which powers itself, has already attracted international interest.

"Made out of two shipping containers, the system breaks down up to about 80% of solid matter, with the only by-product a thin, tea-coloured material....

"The gas is harvested and used to run a generator plant, which in turn powers the system – meaning no energy bills....

More: <https://i.stuff.co.nz/dominion-post/news/hawkes-bay/103561044/hawkes-bay-ecobusiness-churns-organic-waste-to-energy>

Source: Rob Skinner, 14th May 2018. ❖

A Movement of Movements to Transform to a Wellbeing Economy: WEAll

"The problem and vision: The current economic system has become addicted to GDP growth at all costs and has lost sight of the larger goal of sustainable wellbeing. It needs to be fundamentally transformed into a wellbeing economy which is aimed at achieving sustainable wellbeing, not merely growth of GDP, with dignity and fairness, for humans and the rest of nature. A wellbeing economy recognises the economy is embedded in society and the rest of nature and that true freedom and success depend on creating a world where we all prosper and flourish.

"Institutions serve humanity best when they foster our individual dignity while enhancing our interconnectedness. To thrive, all institutions (including businesses) and society must pivot toward a new purpose: shared wellbeing on a healthy planet. To achieve a wellbeing economy, a major transformation of our world view, society and economy is needed. This is what the Wellbeing Economies Alliance (WEAll) seeks to bring about.

"How WEAll will do this: Our reading of why this shift has not happened, despite all the evidence that economic transformation is much needed, is that:

"We are agents (connectors and facilitators), rather than the makers, of change. Our job is to support the makers of change: nurturing their work and its impact, and facilitating connections between them.

More: www.rapidshift.net/a-movement-of-movements-to-transform-to-a-wellbeing-economy-weall/

Source: Hunter Lovins, 12th May 2018. ❖

Costa Rica to Become the World's First Zero-carbon country

"Costa Rica's newly elected president is vowing to take the historic step of decarbonising the entire country. He made the pledge in his inauguration speech this week, in which he described the 'titanic and beautiful task' of abolishing the use of fossil fuels...lead the world ...

More: www.climateactionprogramme.org/news/costa-rica-to-become-the-worlds-first-zero-carbon-country

Source: *Carbon News*, 14th May 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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