

Sustainability Matters

8th Nov, 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.**

Living Planet Report: Aiming Higher

"Released every two years, WWF's 2018 report is a comprehensive study of trends in global biodiversity and the health of the planet. The *Living Planet Report 2018* is the twelfth edition of the report and provides the scientific evidence to illustrate what nature has been telling us repeatedly: unsustainable human activity is stretching the planet's natural life support systems to breaking point.

"Through multiple indicators including the Living Planet Index (LPI), provided by the Zoological Society of London (ZSL), the report shows us the urgent need for a new global deal for nature and people with clear, ambitious goals, targets and metrics, to reverse the devastating trend of biodiversity loss currently impacting the one planet we all call home. ...

"The report has found humanity has wiped out 60% of world's populations of fish, birds, amphibians, reptiles & mammals since 1970. Freshwater wildlife populations have declined by 83%.

More:

http://wwf.panda.org/knowledge_hub/all_publications/living_planet_report_2018/ 75 pages, 14.52Mb

Source: Natural Capital Coalition, 31st October 2018

Editor: Page 4: 'Today, we still have a choice. We can be the founders of a global movement which changed our relationship with the planet, which saw us secure a future for all life on Earth, including our own. Or we can be the generation which had its chance and failed to act; which let Earth slip away. The choice is ours. Together we can make it happen for nature and for people.' ❖

A Reader's Feedback and Insights

"Hi Ray, I'm highly appreciative of your latest issue of *Sustainability Matters*, with its articles on Soil and Regenerative Agriculture. I joined (FND) Council 13 years ago but had previously been teaching a level 6 Diploma in 'Sustainable Rural Development' programme up here in the Far North. Soils and Regenerative Agriculture (and my 'food forest') remain my home passions, whereas, at work in the scattered communities of the Far North, I get to play out my passion for cooperatives and a 'Social Economy'. I'll try to find time to write a small piece for SM someday. Regards,

Source: Ken Ross, Far North District Council, 29th October 2018

More: [From Ken]: 'Regenerative' is the word in favour at present to describe sets of practices that have been with us for a long time. It also encompasses applications from the findings of microbiology that explain at a scientific level, understandings our ancestors had from their own observations, trials and error. Progress can be awfully slow at times, and we seem to have a penchant for 're-learning'. I'm glad we seem to have the 'wheel' sorted and it is no longer a source of dispute. ❖

SUSTAINABILITY WORKING GROUP

At the NZICA's AGM held 15th Nov. 2001 members unanimously voted in favour of the following remit presented by Peter Hays FCA, Tony Gray FCA and Leanne Holdsworth CA on behalf of the Sustainability Working Group;

'That the Institute recognise that Sustainable Development Reporting (or Triple Bottom Line reporting) will be an important part of the reporting responsibilities of many organisations.

'Accordingly this meeting requests that the Executive Board actively support the involvement of Institute members in this development, such as through the establishment of a National Committee.' ❖

Want to Build a Stronger Climate Movement? Integrate

"The environmental movement is divided into two. Large, well-funded, green groups mostly led by white men, lead national campaigns and lobby Congress, while small, poorly funded environmental justice groups, largely staffed by people of colour, work for change at the local level. Observers have written at length about this divide, arguing that it has hampered efforts to deal with climate change. Critics say as long as these organisations operate in two separate spheres, big green groups will struggle to organise locally, and environmental justice groups will struggle to secure resources they need to thrive.

"Dr. Robert Bullard, a professor of urban planning and environmental policy at Texas Southern University in Houston, believes big green groups need to do more to support environmental justice groups, which treat pollution not as an isolated problem, but as part of a larger constellation of issues that includes poverty, discrimination and political marginalisation. Bullard, known as 'the father of environmental justice', spoke with Nexus Media about the importance of local activism and what big environmental groups can do to strengthen the climate movement. The following interview has been edited for length and clarity. ...

More: www.responsiblebusiness.com/news/americas-news/want-build-stronger-climate-movement-integrate/

Source: Global Initiatives, 31st October 2018.

Editor: Well worth reading and although USA specific the underlying ideas can be translated to other settings including; 'We have to converge these issues. Climate change and energy and civil rights and environmental justice – it's all wrapped together'. ❖

How to Shift Public Attitudes and Win the Global Climate Battle

"Former chief U.S. climate negotiator Todd Stern writes about what forces must come together to marshal the public and political will needed to tackle climate change. What is required, he explains, is a major shift in how the public views global warming and in what it expects political and economic leaders to do about the challenge. Stern remains optimistic that such a transformation can occur, noting fundamental shift in norms and attitudes have repeatedly occurred in the past, most recently with public perceptions about same-sex marriage.

More: <https://e360.yale.edu/features/the-essential-front-in-the-climate-battle-altering-public-attitudes>

Source: *Yale Environment 360*, 26th October 2018. ❖

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Carbon Fund IPO – NZX Listing

"Salt Funds Management's Carbon Fund offer opened last week. The fund is designed to trade in New Zealand and international carbon credits.

"It will be a PIE and trade as CO2 on the NZX [Lists on 8th Nov.]

"Salt said it expected the price of carbon globally to rise over time.

"Managing director Paul Harrison said: 'The global economy is in transition and the price of carbon is becoming an important factor for investors; as a cost, as an influence and now as an investment opportunity.

"This fund positions carbon as a new alternative asset and aims to give individuals and organisations a chance to invest in, or offset these changes.'

"The Carbon Fund offers exposure to the price of carbon credits (or Units), which will be bought from the emissions trading scheme in New Zealand or offshore carbon markets.

"Just in the last week we have received expressions of interest from a broad range of retail and institutional investors', Harrison said.

"There is a genuine appetite to understand the mechanics of the fund, and in particular the risk component, given this is new territory for investors.'

More: www.goodreturns.co.nz/article/976513816/salt-to-list-carbon-fund.html plus www.nzherald.co.nz/personal-finance/news/article.cfm?c_id=12&objectid=12142641 and www.carbonfund.co.nz/

Source: Hugo Shanahan, Senate SHJ, 2nd November 2018. ❖

\$2 trillion Investors Challenge 55 Companies on Climate Lobbying

"Five weeks before a pivotal UN climate conference (COP24) starts, a group of investors, led by the Church of England Pensions Board and Swedish national pension fund AP7, sent a letter to 55 companies to challenge them on climate lobbying.

"The investors have targeted these 55 European companies because of their high greenhouse gas emissions and significant role in energy-intensive sectors, the group explained in a statement released on Monday (29th October).

"Each company has been asked to review relationships with key trade associations and lobbying organisations, to ensure alignment with their formal company positions supporting the implementation of the Paris climate agreement, it added, specifying that a set of 'investor expectations' outlining best practice on lobbying has also been sent to each company.

"We would ask you to review the lobbying positions being adopted by the organisations of which you are a member. If these lobbying positions are inconsistent with the goals of the Paris Agreement, we would encourage you to ensure they adopt positions which are in line with these goals', the letter reads.

"More generally, we would ask you to ensure that your lobbying practices align with the 'Investor Expectations' document you have been sent, and that you are transparent about your own policy positions and how you ensure these are implemented in your direct and indirect lobbying activities', it said.

"Auto sector the worst

"Legal risk. The letter to the companies outlines three key reasons why corporate lobbying activities that are inconsistent with meeting the goals of the Paris Agreement present financial risks to investors, the group continued.

"It cited:

- Regulatory risks: ...
- Systemic economic risks:
- Reputational and legal risks: ...

More: www.euractiv.com/section/energy-environment/news/2-trillion-investors-challenge-55-companies-on-climate-lobbying/ plus www.unpri.org/Uploads/i/k/t/Investor-Expectations-on-Corporate-Climate-Lobbying_en-GB.pdf

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

Towards Transparency 2018 – Corporate Reporting on Sustainability is Now Mainstream

"More than three-quarters of the value of the New Zealand Stock Exchange (NZX) is reporting on sustainability, according to Towards Transparency 2018 report. The report is a clear signal that corporate reporting on sustainability has now become mainstream in New Zealand. *Towards Transparency* was produced by sustainability consultancy Proxima and was based on a review of all sustainability and integrated reports released in New Zealand for the year ending 31 August 2018.

"Key findings from the report include:

- The 34 NZX listed companies reporting on sustainability account for over 75% of the total market capitalisation of the NZX
- Over 70% of sustainability reporters used an internationally-recognised reporting framework such as GRI or <IR>
- More than 75% of sustainability reporters disclose how they determined the material topics to include in their reporting.

More: www.proxima.global/news/towards-transparency-2018-corporate-reporting-on-sustainability-is-now-mainstream/ also www.proxima.biz/Proxima%20Towards%20Transparency%20WEB.pdf 32 pages, 1.35Mb with a foreword by Richard Howitt CEO of IIRC. There are also slides from a recent Sustainable Business Council Basics reporting webinar by Calum Revfem and others. It has tips for getting started on reporting at www.sbc.org.nz/insights/2018/quest-blog-reporting-sticking-to-the-basics

Source: Proxima, report launch event Auckland, 31st October 2018 and SBC, 1st November 2018.

Editor: This is a very easily read NZ-specific report. ❖

Impact-led Businesses Leap Forward with New Online Platform

"On 31st October Social Procurement took a leap forward at an event in Auckland with the official launch of New Zealand's first online social procurement platform.

"The Ākina Foundation and New Zealand Post have launched Fwd: (pronounced 'Forward'), a new platform for socially and environmentally minded businesses. Fwd: includes an online marketplace which connects buyers with certified social enterprises.

"The initiative is considered New Zealand's first platform for social procurement – the idea is businesses can generate social and environmental benefits by purchasing the goods and services they need to operate from social enterprises.

"Chief Executive of the Ākina Foundation, is excited by the changing attitudes moving companies away from business models which focus solely on financial return, and also take social and environmental impact into account – the online marketplace as a key tool in driving that change.

"Businesses have the power to deliver social and environmental change simply by choosing to do business with impact-led enterprises' she says.

"Over \$560 billion was spent by businesses in Aotearoa last year. If even a small portion of that can be directed to suppliers which work to improve people's lives or care for our planet – the collective impact is enormous.' ...

"The Social Enterprise Sector Development Programme is a partnership between the Department of Internal Affairs, on behalf of the New Zealand Government and the Ākina Foundation. It is supported in partnership with the Community Enterprise Network Trust. The SESDP is in the first of three years, and has the goal of enabling a flourishing social enterprise sector whilst informing the Government's ongoing contribution to the sector, beyond the programme.

More: <http://akina.org.nz/news/fwd-marketplace-launch/> plus www.fwd.org.nz/

Source: SBC, 1st November 2018. ❖

Making Australian Corporate History – A Huge Week for ACCR

“It has been a huge week for ACCR, one that would not have been possible without our shareholders and supporters.

“At the beginning of the week Westpac agreed to review the Business Council of Australia’s (BCA) advocacy on climate issues, in response to a resolution we filed with them. Westpac said: ‘As part of its annual reporting Westpac will set out principles for engagement with industry associations [including the BCA], and will commence a review of key industry association memberships in relation to our main areas of policy interest, including a focus on lobbying and advocacy related to climate change. Westpac expects to announce its full year results on 5th November 2018, with annual reporting to be released soon after.’

“As a result of Westpac’s decision, we have withdrawn our resolution and will continue scrutinising all climate lobbying being done by industry associations in Australia including the BCA.

“At the Origin Energy AGM shareholders voted on three resolutions that were lodged by the ACCR. The results were:

- 7.3% FOR resolution 9B on free, prior and informed consent
- 11.83% FOR resolution 9C on interim emissions
- 46.32% FOR resolution 9D on climate change lobbying.

“The 46% vote in favour of resolution 9D is the largest vote for any shareholder proposal (without Board support) in Australian corporate history and is a clear rebuke to the carbon lobby. It far exceeds the 18% vote on ACCR’s Rio Tinto lobbying resolution in May 2018.

“Regarding resolution 9B, Brynn O’Brien, our Executive Director said: ‘This is a momentous occasion. This is the first shareholder resolution of its kind ever voted upon in Australia, and perhaps the world. Traditional Owners have traveled from remote parts of Australia to speak to their concerns, and to stand up for their rights and their communities.’

“Today we are pleased to announce our engagement with NAB on climate lobbying has been successful and we will not be lodging a resolution with the bank. We commend NAB for being the first ASX100 company to publicly acknowledge the need to take action on the scientific conclusions of the IPCC’s special report on the impacts of 1.5°C of global warming. NAB’s leadership on the IPCC 1.5 report is a clear signal to the Australian government that they can no longer obstruct attempts to negotiate a climate and energy policy that is backed by science.

“This AGM season is shaping up to be our most successful yet. We have two more resolutions to be heard at the upcoming AGMs of Qantas and Woolworths. You can find out more about each of these resolutions here [See below].

More: Activist shareholders make history in anti-lobby resolution at Origin AGM: www.smh.com.au/business/companies/activist-shareholders-make-history-in-anti-lobby-resolution-at-origin-agm-20181017-p50a4u.html plus Origin shareholders deliver stunning statement on anti-climate lobbying: <https://reneweconomy.com.au/origin-shareholders-deliver-stunning-statement-on-anti-climate-lobbying-97384/>

Source: ACCR eMail 18th October 2018. ❖

Another Pacific Island Gone

“East Island was the second largest islet in French Frigate Shoals - an atoll located 550 miles from Honolulu. It was key habitat for the critically endangered Hawaiian Monk seal, the threatened Hawaiian green sea turtle and several species of seabirds. It was washed over by storm surges from Hurricane Walaka. Nearby Trig Island was also lost this year from high wave activity. French Frigate Shoals is the nesting ground for 96% of the Hawaiian Green Turtle population and approximately half the turtles laid their eggs on East Island. In a typical year 30% of monk seal pups are born on East Island. Charles Littnan, director of NOAA protected species division, said the event is confronting us with what the future could look like.

More: www.huffingtonpost.com.au/entry/hawaii-east-island-lost-to-hurricane-walaka-french-frigate-shoals-climate-change-us_5bcf2a8ee4b055bc9484e803

Source: Tieke: ECO Alerts & Events, 31st October 2018. ❖

NZ Native Plant Nurseries in Trouble

“.... The One Billion Trees project and a greater focus on eco-sourcing comes at a time when New Zealand’s native nursery industry is struggling.

“Every other week we are hearing about native plant nurseries closing down or struggling. This is happening at a time when they need to be gearing up to meet the increasing demand from the Billion Trees programme and other initiatives.’

“A competitor to Kauri Park, the Native Plant Nurseries went into receivership in April. It had been in business since 1961 and at the time of the receivership employed around 35 staff.

“Other native nurseries such as Oratia Native Plant Nursery are shutting shop due the owners wishing to retire and no buyers to be found willing to take on the business. According to the owner, while costs have risen the price of plants is the same as it was in 1990.

“Industry insiders mention the price of plants delivered to the site for some large tenders have dropped to between \$1 to \$2 per plant. Unrealistic timeframes, the scale of projects and procurement processes which favour a single point of contact for hundreds of thousands of plants over dealing with a group of nurseries have also been mentioned by insiders as issues for the industry.

“Dolan suggests price competition is coming from community nurseries. One of the biggest challenges is native tree nurseries often have to compete with subsidised and volunteer nurseries with unrealistically low prices. With nursery closures comes the loss of decades of knowledge.

More: www.newsroom.co.nz/2018/10/24/289264/unwanted-organism-sold-as-native-plants

Source: Tieke: ECO Alerts & Events, 31st October 2018. ❖

Climate Change and Green Finance

“On 15th October 2018 we [the Financial Conduct Authority, UK] published a discussion paper on climate change and green finance. The FCA must consider all major risks which have an impact on the markets and institutions [including funds managers] we regulate, including those posed by climate change. In this document we explain how climate change-related matters are relevant to our statutory objectives.

“Why we are publishing this Discussion Paper: Climate change is likely to have a significant impact on the UK’s economy and financial services markets. This will affect our work, as the FCA’s strategic objective is to ensure that financial markets work well. Our Mission explains we aim to act where we add the most public value, and so we must take into account the ways markets are likely to develop and users’ changing needs. This awareness covers a wide range of relevant issues, including climate change.

“Who this interim report is aimed at: We are publishing this Discussion Paper to set out our proposed approach, which we will keep under review. At this stage, we are seeking views on areas to develop further to ensure we continue to take decisions in the public interest and support innovation in the growing market for green finance.

“Who this interim report is aimed at

“We invite views from everyone with an interest in this issue. This includes:

- Consumer groups and individual consumers
- Charities
- Industry groups / trade bodies
- Regulated firms
- Policy-makers and regulatory bodies
- Industry experts and commentators
- Academics and think tanks

“What you need to do: Send your comments by 31st Jan.

More: <https://www.fca.org.uk/publications/discussion-papers/dp18-8-climate-change-and-green-finance> 22 pages, 303kb

Source: Editor, 18th October 2018. ❖

Call of the Reed Warbler: A New Agriculture – Oil, Power, and War: A Dark History A New Earth

"Charles Massy has written a definitive masterpiece that takes its place along with the writings of Aldo Leopold, Wendell Berry, Masanobu Fukuoka, Humberto Maturana, and Michael Pollan. No work has more brilliantly defined regenerative agriculture and the breadth of its restorative impact upon human health, biodiversity, climate, and ecological intelligence." –Paul Hawken

"In *Call of the Reed Warbler*, Charles Massy explores regenerative agriculture and the vital connection between our soil and our health.

"It is the story of how a grassroots revolution – a true underground insurgency – can save the planet, help reduce and reverse climate change, and build healthy people and healthy communities, pivoting significantly on our relationship with growing and consuming food.

"Using his personal experience as a touchstone – from an unknowing, chemical-using farmer with dead soils to a radical ecologist farmer carefully regenerating a 2000-hectare property to a state of natural health – Massy tells the real story behind industrial agriculture and the global profit-obsessed corporations driving it. With evocative stories, he shows how other innovative and courageous farmers are finding a new way.

"At stake is not only a revolution in human health and in our communities, but the very survival of the planet. For farmers, backyard gardeners, food buyers, health workers, policy makers, and public leaders alike, *Call of the Reed Warbler* offers a tangible path forward and a powerful and moving paean of hope.

"It's not too late to regenerate the earth. *Call of the Reed Warbler* shows the way forward for the future of our food supply, our planet, and our health.

More: www.goodreads.com/book/show/34951739-call-of-the-reed-warbler plus www.chelseagreen.com/product/call-of-the-reed-warbler/ 502+/- pages depending on version

Source: Angus Napier, 1st November 2018

Editor: *Call of the Reed Warbler* tells an Australian story. ❖

Diamond Battery Made from Nuclear Waste

"Scientists from the University of Bristol Cabot Institute are hitting two birds with one stone, thanks to their lab-made diamond which can generate electricity and is made from upcycled radioactive waste.

"A severe downside of this process is the creation of dangerous radioactive waste, which ultimately deposits in the graphite core that it is housed in. Today, this nuclear contamination is safely stored away until it stops being radioactive...and with a half-life of 5,730 years, that takes quite a while.

"The scientists found a way to heat the radioactive graphite to release most of the radioactivity in a gaseous form. The gas is subjected to high temperature and low pressures that turn it into a man-made diamond. When these diamonds are placed near a radioactive field, they generate a small electrical current. The developers enclosed the diamond battery in another non-radioactive diamond to absorb the harmful emissions, which in turn allowed for the generation of even more electricity, making the battery nearly 100% efficient.

"The nuclear diamond battery has an incredible lifetime, and will only be half used up by the year 7746. This makes it an ideal power solution for 'situations where it is not feasible to charge or replace conventional batteries' ...

"No emissions generated and no maintenance required, just direct electricity generation.'

More:

<https://www.facebook.com/worldeconomicforum/videos/10154537251376479/> plus www.weforum.org/agenda/2017/02/these-scientists-are-turning-radioactive-waste-into-diamond-batteries with 4:45 video (Feb 2017) and <https://youtu.be/hv15kZnq5qY> 17:37

Source: Craig Skinner, Facebook share, 30th Oct 2018. ❖

"Much of my [Richard Heinberg] career has centred on energy – particularly on the central role that fossil fuels have played in shaping the modern world, and our need to transition away from them. This has been a challenge, to say the least, because most of us are blissfully unaware of our tremendous dependence on fossil fuels (oil most especially) or the cost of that dependence on people and the planet.

"Recently Post Carbon Institute partnered with Chelsea Green Publishing to translate, update, and publish French author Matthieu Auzanneau's powerful opus on the history of oil. His book, *Oil, Power, and War* is about oil's rise and eventual fall ... I was honoured to write the foreword.

"Beautifully written and marvellously translated, *Oil, Power, and War* provides a detailed history of oil's impact on economic and technical advances – and, in turn, their impact on oil – over the past century. Extending its narrative through the events of early 2018, it offers a profound new understanding of oil's role in war and peace, growth and stagnation; and it casts new light on the foundations of national power and the challenge that lies ahead. A terrific education and an engrossing read. – Dennis Meadows, co-author of *The Limits to Growth*.

More: www.kirkusreviews.com/book-reviews/matthieu-auzanneau/oil-power-and-war/ plus www.amazon.com/Oil-Power-War-Dark-History/dp/1603587438/ 672 pages

Source: Post Carbon Institute, 2nd November. ❖

Use Compressed Air to Store Energy

"Electricity generated by fossil fuels is increasingly unsustainable and a shift towards renewable energy – principally from the sun and wind – is vital. Renewable generation is already less expensive per unit than its polluting counterparts, but the fact the sun doesn't always shine and the wind doesn't always blow presents an obstacle to a serious takeover of the energy sector.

"Energy storage could overcome this pressing 'intermittancy' issue. If storage was available at sufficiently low cost and high performance, renewable energy would rapidly displace all other generation forms.

"Energy is already stored, of course, in batteries or various other technologies. Even reservoirs can act as huge stores of energy. However nothing which exists or is in development can store energy as well, and as cheaply, as compressed air.

"The concept seems simple: you just suck in some air from the atmosphere, compress it using electrically-driven compressors and store the energy in the form of pressurised air. When you need that energy you just let the air out and pass it through a machine that takes the energy from the air and turns an electrical generator.

"Compressed air energy storage (or CAES) can involve storing air in steel tanks or in much less expensive containments deep underwater. In some cases, high pressure air can be stored in caverns deep underground, either excavated directly out of hard rock or formed in large salt deposits by so-called 'solution mining', where water is pumped in and salty water comes out. Such salt caverns are often used to store natural gas.

"Two large compressed air plants were built decades ago, one in Huntorf, Germany and the other in McIntosh, Alabama. Both are still working extremely well and are used to draw conclusions about CAES efficiency and cost.

"It is imperative we think again about compressed air energy storage and evaluate it properly in light of what can be achieved by exploiting modern methods and knowledge.

More: <https://theconversation.com/lets-store-solar-and-wind-energy-by-using-compressed-air-103183>

Source: *Carbon News*, 30th October 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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