

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children

30th May 2019



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One Question to Ask Your Head of State

"... Climate change is an urgent crisis not just from a biological, ecological and environmental perspective. It will also cause humanitarian and especially economic distress.

"In Israel, we face extreme weather conditions, mainly drought. Agriculture will suffer. The lack of water will increase when the temperature rises and heat waves arrive.

"Low income families will struggle with prices, spending will decrease, real estate business will become harder, hyper-inflation will arrive, not only in our country, but across the Middle East.

"If I could ask one question to the prime minister of Israel it would be: How many protests and strikes do we, the children, need to arrange until a crisis science has warned about becomes important enough to act against?

"One of the so-called arguments I tend to hear a lot in the news is climate change is too pricey to act against. To answer them I would have to quote scientist Bill Nye: 'The earth is on FUCKING FIRE... There is a lot we can do to put it out, are any of them free? No of course not! Nothing's free you idiots, grow the fuck up.'

"As Greta Thunberg said our house is on fire. If your house was on fire and your family inside that house, would you sit quietly and worry about the price of the bucket of water? Obviously you wouldn't be that foolish.

"The evidence of climate change is all around us and scientists' warnings are increasingly scary. I personally feel that unfortunately, we are in an ideological war against people who don't trust scientific facts. But I also know the single most precious weapon we have in our little teenage hands is the truth. In the UN's IPCC reports, the scientific consensus and thousands of pages of scientific journals, we have the truth. ...

More: www.climatechangenews.com/2019/05/24/bigger-palestinian-israeli-teens-strike-together-climate/

Source: *Climate Home News*, 25th May 2019.

Stop the Biking

"Swedish teenage activist Greta Thunberg urged European politicians on Friday [24th May] to focus on a climate crisis instead of 'bickering', as children walked out of classes around the world to back her demands for urgent action to curb carbon emissions.

"Thunberg, 16, said the threat of societal breakdown posed by runaway climate change should overshadow every other campaign issue in the European Union's parliamentary elections this week.

"If the EU were to decide to seriously fight the climate crisis, it would mean a decisive global change. And the EU election should reasonably only be about this. But it isn't, ...

"By 2200 GMT, more than 1.8 million people in 2,350 cities across 125 countries had joined the strike, according to a tally on the Facebook page of the Fridays for Future movement, a network of young climate protesters. ...

More: www.reuters.com/article/us-climate-change-youth/swedens-thunberg-demands-climate-action-on-day-of-global-school-strikes-idUSKCN1SU0AN

Source: *eco-News*, 28th May 2019.

ESG Reporting Guide: A Support Resource for Companies

"In May 2019, we launched our new global environmental, social and governance (ESG) reporting guide for public and private companies. Initially introduced in 2017 as a voluntary support program for Nasdaq's Nordic and Baltic markets, the new Guide includes the latest third-party reporting methodologies widely adopted by the industry and aims to help both private and public companies navigate the evolving standards on ESG data disclosure.

"We are committed to operating sustainable markets, and the intention of this guide is to reinforce our mission to provide fair, transparent, and efficient markets for all stakeholders. ESG practices can be as beneficial to individual companies as they are to investors, and a focus on ESG can lead to improvement and harmonization of management practices.

"Nasdaq does not require the participation of its listed companies in this process. This is a completely voluntary initiative. It is not intended to compete with, supersede, or supplement any existing framework – but rather act as an informational reference for listed companies which strive to meet disclosure obligations.

More: <https://business.nasdaq.com/esg-guide/> plus https://business.nasdaq.com/media/Nasdaq%20ESG%20Reporting%20Guide%202019_tcm5044-70227.pdf
38 pages, 13.08Mb. Much more including a video.

Source: David Living, 24th May 2019

Editor: ESG reporting is a reporting approach more favoured in USA than elsewhere – has universal applicability.

Zero Carbon Bill Open for Submissions

"Public submissions are now open on the *Climate Change Response (Zero Carbon) Amendment Bill*, which is being considered by the Environment Committee.

"The purpose of the Zero Carbon Bill is to establish a framework which NZ can use to develop clear, stable climate change policies in line with the Paris Agreement.

"The Paris Agreement is a global effort to combat the effects of climate change. It aims to achieve this by limiting the global average temperature increase to 1.5⁰ Celsius above pre-industrial levels.

"The bill would set GHG reduction targets into law and require future governments continue these efforts. It also seeks to:

- Set up the Climate Change Commission, ...
- Create a requirement that the government sets emission budgets every five years ...
- Create a requirement that the government understands the risk of climate change and produces plans ...

"This bill would be an amendment to the existing Climate Change Response Act 2002, meaning all of the key climate-related legislation would be covered under one Act. ...

Closing Date: Tuesday 16th July 2019

More: www.scoop.co.nz/stories/PA1905/S00237/zero-carbon-bill-opens-for-submissions.htm plus www.parliament.nz/en/pb/sc/make-a-submission/document/52SCEN_SCF_BILL_87861/climate-change-response-zero-carbon-amendment-bill

Source: *Carbon News*, 24th May 2019.

Silos to Systems

"A critical + practical interactive seminar with Regenesys' Bill Reed and Ben Haggard. Upgrade the way you work and capture the full potential of your projects, teams and places to create multiple positive outcomes.

"Bring your core project team for some Fresh thinking = Fresh outcomes

When/Where: Tues, 4th June 2019, 12:30 to 5:00 pm Beca Auditorium, 21 Pitt Street, Auckland

More: www.eventbrite.co.nz/e/silos-to-systems-integrative-design-process-with-bill-reed-ben-haggard-tickets-61481428608

Source: Living Future New Zealand, 20th May 2019. 

Consider Non-financial Risks in the Reporting Season

"At the recent [8th May 2019] Council of Superannuation Investors (ACSI) conference in Melbourne, John Price, Commissioner of ASIC outlined the regulators' key priorities for the upcoming reporting season and noted climate change is a foreseeable risk.

"ASIC continues to encourage strong corporate governance and disclosure of useful and relevant information to the market, including climate risk.

"We are now observers of a profound and accelerating shift in the way Australian regulators, firms and the public perceive climate risk. There has been a series of coordinated interventions by Australian regulators, which will require in practice increased attention be given to both the assessment and disclosure of climate risk. There has been acute interest in these issues from investor groups. There have been developments in the state of scientific knowledge. In our opinion, these matters elevate the standard of care that will be expected of a reasonable director. Company directors who consider climate change risks actively, disclose them properly and respond appropriately will reduce exposure to liability. But as time passes, the benchmark is rising.' – *Climate Change and Directors Duties, Supplementary Memorandum of Opinion*, The Centre for Policy Development.


"Price highlighted the importance of boards and directors taking an active role as climate risk should start to be translated as a financial risk in the financial statements.

"He quoted the recent *Climate Change and Directors Duties* supplementary memorandum to emphasise the elevated duty of care expected of a reasonable director, in particular, the assessment and disclosure of climate risk.

"Geoff Summerhayes, executive board member of the Australian Prudential Regulatory Authority (APRA) noted there is a sense of urgency about climate risk and there needs to be a shift from awareness to action. And noted the current *de facto* for climate change disclosure is the TCFD (Task Force on Climate-related Financial Disclosures) framework which encourages voluntary disclosure.

"In May 2019, the Climate Disclosure Standards Board (CDSB) and the Sustainability Accounting Standards Board (SASB) released the TCFD implementation guide, which is the first paper in a series of practical, climate-related tools aimed at helping companies enhance the robustness, consistency, comparability and utility of TCFD implementation.

More: www.charteredaccountantsanz.com/news-and-analysis/news/consider-non-financial-risks-in-the-reporting-season plus www.charteredaccountantsanz.com/news-and-analysis/news/australian-regulators-call-for-a-shift-in-treatment-of-climate-related-risks and www.smh.com.au/business/the-economy/legally-foreseeable-regulators-warn-companies-on-climate-change-risks-20190508-p5119d.html

Source: Editor 24th May 2019. 

Why the Climate Change Message Isn't Working

"In *Climate – A New Story*, Charles Eisenstein looks at debates about global warming and proposes a narrative shift for the climate movement. Embracing love of nature, he writes, moves people beyond denial and passivity to the action necessary to protect life on our planet.

"Here is what I want everyone in the climate change movement to hear: People are not going to be frightened into caring. Scientific predictions about what will happen 10, 20, or 50 years in the future are not going to make them care, not enough. What we need is the level of energy and commitment that we saw at Standing Rock. We need the breadth of activism we saw in Flint, Michigan, where everyone from yoga teachers to biker gangs joined in relentless protest against lead contamination. That requires making it personal. And that requires facing the reality of loss. Facing the reality of loss is called grief. There is no other way.


"The Standing Rock action to stop the Dakota Access pipeline wasn't framed around climate change at all (....) but around protecting water and the integrity of Indigenous sites, and not all water or all sites, but a specific body of water and specific sites, real places. Thousands of people, especially young people, braved long journeys and hostile conditions to participate. That is the kind of commitment we need to arouse in defence of the sacred, in defence of all beings of Earth. It comes from beauty, loss, love, and grief.

"He organised a highly successful watershed conservation campaign in his region, which is politically extremely conservative, by mobilising the Rod and Gun Club. In the entire county, it would be hard to find a Hillary Clinton voter, or anyone who would have lifted a finger had he framed the issue in terms of climate change. Yet, not only was the local watershed improved, with benefits downstream for the Chesapeake Bay, but if the living planet view I've advanced here is correct, the whole planet benefited as well.

"Does de-emphasising the carbon narrative mean business-as-usual gets a free pass? No. It is the contrary. As Wolfgang Sachs presciently observed, 'Indeed, after 'ignorance' and 'poverty' in previous decades, 'survival of the planet' is likely to become that well-publicised emergency of the 1990s, in whose name a new frenzy of development will be unleashed.'

"The ecological situation on Earth has deteriorated steadily, despite the adoption of data-driven models and the cost-benefit arguments which follow them. We have tried being reasonable. Perhaps it is time to be unreasonable. The lover does not need self-interested reasons to cherish his beloved. If we honour our inner nature lover and speak from that place, others will hear us. Perhaps we have been speaking the wrong language, seeking a change of mind when really what we need is a change of heart.


More: www.yesmagazine.org/planet/why-the-climate-change-message-isnt-working-20190104 plus www.goodreads.com/book/show/39849661-climate Scored 4.56 on scale of 1-5 – A reviewer; 'This has been both one of the most challenging and disturbing books and the most visionary, compassionate, and holistic writings on climate, environment, Humanity and our Species that I have ever read.' And <https://charleseisenstein.org/books/climate-a-new-story/>

Source: Leanne Holdsworth, 25th May 2019. 

What is Sustainable Rubber?

Explores the potential for sustainable natural rubber.

More: www.eco-business.com/news/what-is-sustainable-rubber/

Source: eco-Business.com, 22nd May 2019. 

Sustainable Investing is the Best Job Ever

"A career in finance is rarely what we dream of when we are children. But forget being a rock star, a football pro or a contestant on Love Island. Here's why working in sustainable investing is the best job. Ever.

"In the year 2000 I was travelling in New Zealand, sharing a hostel room with two easy-going Americans who lived a permanent backpacker life. 'I have friends who took a suit and tie job, but I've never regretted my choice', said one, in between anecdotes of a life of freedom and spur-of-the-moment adventures around the world.

"A month later I was back in London, starting my career in finance; because I clearly wanted to squeeze every last drop out of life in, um, accounting.

"In the years to come, as I rooted through invoices in dingy back rooms at companies I had been sent to audit, the obvious conclusion would be that my former buddies – paddling around Hawaii or seeking out yet more remote backcountry to ski – had chosen the more fulfilling path in life.

"But early in my career, having always had an interest in the environment, I complemented my finance training with learning about sustainability through a part-time Masters degree. In 2009, I moved to Asia where I worked for sustainable investment firm Sindicatum on clean energy, forestry and sustainable agricultural projects in China, India and Southeast Asia, based in Singapore.

"In Asia, I witnessed first-hand the environmental challenges created by rapid economic development, but also the ingenuity evident in the application of technology to address such problems. I carried these lessons with me back to Europe in 2012.

"As I have subsequently found out, a career in sustainable investing is the best job. Ever.

"Here are five reasons why;

1. Purpose
2. Nature
3. Understanding how everything on our planet is connected
4. Our view of the world
5. Personal sustainability

"Finding purpose in our work helps us anchor our lives and align our daily application of energy to something we have consciously chosen to do, which enriches us. Working in sustainable investing has led me to see these dimensions of sustainability, and understand that sustainable performance, a sustainable body, and a sustainable mind are inextricably linked.

"Long-days, late nights and the quotidian low-grade stress of the office, punctuated by moments of high stress and drinking binges to try to make it all 'worth it' are trademarks of the modern professional. But they're not sustainable physically or mentally, and do not nourish the soul. What does enrich the soul is to have a purpose. And for me there is no greater purpose than tackling the challenge of sustainability by helping to allocate the world's capital. ...


More: www.eco-business.com/opinion/why-sustainable-investing-is-the-best-job-ever/

Source: eco-Business.com, 15th May 2019. 

NZ's Fight Against Climate Change

"TV1's Carolyn Robinson meets New Zealanders who are leading the fight against climate change – from electric car driving bogans to hemp growing cookie makers. Can acting sustainably be good for our future?

More: www.tvnz.co.nz/shows/what-next/episodes/s2-e2
Tuesday 28th May, 45:34

Source: Editor 28th May 2019. An excellent programme and suitable for anyone. A 'must view'. 

Paul Polman: Courage and Collaboration will Help Business Accomplish Mission Possible

"The theme of edie's purpose-driven campaign and report perfectly captures the crux of what we have long-suspected: that creating a more sustainable future is still 'Mission Possible' and we must now turn our ambitions into actions to drive transformative progress.

"Not least as there are many challenges we need to overcome: runaway climate change; deforestation; and plastics in our seas, for example, all prove we are pushing at the limits of our planetary boundaries. Indeed, the recent IPCC report points out we are now less than 12 years away from environmental disaster, unless we drastically change how we live. And if we do not act now, it is guaranteed we will see more of the devastating effects of climate change, as well as rising poverty and inequality.

"But we shouldn't despair, as we already have a roadmap to plot our recovery: the UN Sustainable Development Goals (SDGs). We also have the means to achieve these Goals – as noted by the various contributors to this report: greater energy efficiency and use of renewables; more sustainable land use and food systems; smarter infrastructure and city planning; deployment of circular, regenerative business models; and more investment in education, healthcare and diversity.


"This is an agenda worth pursuing as it promises a great return, with the potential to unlock economic opportunities worth at least \$12trn a year and to create at least 380 million incremental jobs at a time when we need them most. As BlackRock chairman Larry Fink stresses in his 2019 letter to business leaders: 'Purpose is not the sole pursuit of profits but the animating force for achieving them. Profits are in no way inconsistent with purpose.' I too strongly believe profits and purpose are inextricably linked, as has been demonstrated by Unilever – showing a nearly 300% shareholder return during my 10-year tenure.

"Yet, even for those of us who already fully understand and support this way of doing business, we must acknowledge we are clearly not acting fast enough. The World Meteorological Organisation, for example, recently warned the physical and financial impacts of global warming are accelerating. And the International Energy Agency reported a surge in CO2 in 2018. So, what's holding us back?

"Moving the dial

"Purpose over profit

More: www.edie.net/news/7/Paul-Polman-Mission-Possible
plus www.edie.net/downloads/Mission-Possible-2019-report/383 43 pages, 13.56Mb

Source: edie, 23rd May 2019. 


How One Woman Used Her Accounting Career to Drive Social Change

"Emma Young believes that the smallest acts of kindness can have a profound impact on people's lives. In 2011, Young had an interaction with a homeless person that re-ignited a passion for social inclusion and volunteering that she'd had during her school days.

"It also led to her job as the chief financial officer of Orange Sky, a fast-growing not-for-profit that offers a mobile laundry, shower service, conversation and connection to homeless people across Australia and New Zealand.

"Volunteering showed me everyone has a story', says Young, who started volunteering at a London shelter, serving meals and sharing conversation with people experiencing homelessness.

More: www.businessinsider.com.au/how-one-woman-used-her-accounting-career-to-drive-social-change-2019-5

Source: CSEAR, 18th May 2019. 

Climate Code Red: It's Time We All Called a Spade a Spade

"In a matter of months, the language of climate emergency has exploded into public space in a spectacular way, with national, regional and governments adopting the term.

"Last Friday [17th May] *The Guardian* editor-in-chief Katharine Viner issued new language guidelines to her staff:

Instead of 'climate change' the preferred terms are 'climate emergency, crisis or breakdown' and 'global heating' is favoured over 'global warming', although the original terms are not banned. 'We want to ensure we are being scientifically precise, while also communicating clearly with readers on this very important issue', said Viner. 'The phrase 'climate change', for example, sounds rather passive and gentle when what scientists are talking about is a catastrophe for humanity'... The United Nations secretary general, António Guterres, talked of the 'climate crisis' in September, adding: 'We face a direct existential threat.'

"Just a year ago, such language was rarely, if ever, heard in the media, among politicians and policymakers, or from professional climate advocates. So how did we get to here?"

"The origins of the idea that we are in a climate emergency (as a problem statement) and that we need to declare and act on this climate emergency in a mobilisation of unprecedented scale in peacetime (solutions strategy) go back at least 16 years.

"The US environmental analyst Lester Brown advocated 'climate action on the scope of the WWII mobilisation' in his 2003 book *Plan B: Rescuing a Planet Under Stress and a Civilization in Trouble*, and in subsequent editions. Whilst not using the language of 'climate emergency', Al Gore in a 2006 essay *The Moment of Truth*, and in his film *An Inconvenient Truth*, urged the world to take the threat of climate change no less seriously than the threat of the Nazis during World War II to face the 'global emergency'...

"Use of the term 'climate emergency' exploded in late 2018 following its use by StudentsStrikers4Climate around the world and Greta Thunberg's brutally direct language, the rapidly growing climate emergency local government campaigns, its adoption by Extinction Rebellion, and the enormous response in the US, and internationally, to the Green New Deal. ...

"Quite suddenly and in an extraordinary manner, the term is now common use, with newspaper headlines and editorials devoted to the subject, and is a part of the everyday language of politicians, journalists and climate activists, though with a diffuse meaning.


"Turning those words into a genuine climate emergency plan and mobilisation by governments around the world is now a big task, but the only strategy that matches ambition to the scale of the problem. Calling a spade a spade is an important step forward.

Article author David Spratt is a Research Director for Breakthrough and co-author of *Climate Code Red: The case for emergency action* (Scribe 2008). His recent reports include *Recount: It's time to 'Do the math' again*, *Climate Reality Check* and *Antarctic Tipping Points for a Multi-metre Sea-level Rise*.

More:

www.resilience.org/stories/2019-05-21/climate-emergency-evolution-of-a-global-campaign/ plus <https://reneweconomy.com.au/climate-emergency-its-time-to-call-a-spade-a-spade-24122/>

Source: *Carbon News*, 23rd May 2019

Editor: This is a must read article. 

New Zealand Estuaries and Habitats

"Threats to estuaries. Estuaries are champions for our biggest global challenge – climate change. Habitats such as mangroves, saltmarsh and seagrass capture carbon 4- 10 times more carbon than forests so are a great option for us to reach our Zero Carbon target. In addition, these habitats protect our coastlines and infrastructure from storm surge which is becoming more of an issue due to sea level rise', quotes Angus Napier after reading the USA case study mentioned in 16th May edition of *Sustainability Matters*.

More: www.doc.govt.nz/nature/habitats/estuaries/about-estuaries/ plus www.doc.govt.nz/nature/habitats/estuaries/monitoring-estuaries-map/ and <https://zerocarbonact.nz/> and www.parliament.nz/en/pb/bills-and-laws/bills-proposed-laws/document/BILL_87861/climate-change-response-zero-carbon-amendment-bill

Source: Angus Napier, 19th May 2019. 

A4S Essential Guide to Debt Finance

"We are pleased to announce the launch of the *A4S Essential Guide to Debt Finance* which we launched this morning [22nd May] at the Annual Conference of The Association of Corporate Treasurers.

"When lenders and investors take financial decisions, it is their responsibility to price risks correctly. Yet environmental, social and governance risks (ESG), including some of the greatest risks we face globally, are not being priced in.

"There has been an increase in understanding in recent times, and positive changes such as the rapid expansion of green bonds. However, where companies and finance providers are taking steps towards more sustainable finance, these changes, though growing in pace, are still incremental. To achieve the scale required, a fundamental shift is needed.

"The *A4S Essential Guide to Debt Finance* has been created through extensive interviews with lenders and debt investors to understand how ESG is currently considered in debt finance decisions, and how the market is expected to shift in the future.

"The guide includes:

- An introduction on why considering sustainability is important for treasurers
- Perspectives from both debt providers and issuers
- Implications, guidance and tips for treasurers
- Case studies and practical examples from the CFO Leadership Network and beyond

"The Guide has been created by treasury teams for treasury teams, but will also be of interest to debt investors and lenders, and other stakeholders seeking to promote a sustainable future.

What is Sustainable Finance? It is the integration of sustainability considerations into investment and lending decisions. [Page 6]

More: www.accountingforsustainability.org/en/knowledge-hub/guides/debt-finance.html 61 pages, 7.41Mb

Source: a4s, 22nd May 2019

Editor: Of value to accountants, directors and others. 

The Bug Eaters

Katherine Jamieson writes about the connection between climate change the revulsion-arousal cycle of eating grasshoppers.

More: <https://orionmagazine.org/article/the-bug-eaters/>

Source: Orion, 18th May 2019. 