

Sustainability Matters

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Business achieving a tomorrow for tomorrow's children



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Running the Risk: How Corporate Boards Can Oversee Environmental, Social and Governance (ESG) Issues

"Ceres just released our latest report, *Running the Risk: How Corporate Boards Can Oversee Environmental, Social and Governance (ESG) Issues*. The report calls on corporate boards to systematically and explicitly oversee environmental, social and governance (ESG) risks in order to keep their businesses resilient in the face of growing global climate and water crises.

"With recent wildfires, extreme flooding and rising sea levels devastating communities across North America, the financial impacts of ESG risks are becoming more evident. As these risks become financially relevant, they belong on the board's agenda.

"Running the Risk makes the case that corporate boards must shift to proactively recognise and accelerate action on ESG risks in order to avoid potential financial losses, investor pressure, or even litigation. The report gives practical recommendations and identifies leading practices for corporate directors on how they can systematically work with management to ensure that the right ESG risks are identified, assessed and acted upon.

"It's not a question of whether a board should oversee these issues but instead recognising how a board should oversee these risks. Corporate boards in the 21st century need to equip themselves with information on best practices for this ever more important area of oversight.

More: www.ceres.org/resources/reports/running-risk-how-corporate-boards-can-oversee-environmental-social-and-governance 42 pages, 4.59Mb, sign in required

Source: Ceres, 23rd November 2019. 

TCFD: Strengthening the Foundations of Sustainable Finance - Speech by Mark Carney

"Speech given at the first ever TCFD Summit October 2019, Tokyo. ...

"The Governor says the financial sector must help the transition to 'net zero' (a neutral carbon footprint). Businesses need to keep improving their disclosure of climate risks. To support that aim, he says the Task Force on Climate-related Financial Disclosures (TCFD) should:

- Share best practice to increase the quantity and quality of climate related disclosures
- Give a definitive view on what is a high quality disclosure
- Spread knowledge on how to measure and use information on strategic resilience more widely
- Consider how asset owners should disclose how well their portfolios are placed for the transition to net zero.

...

More: www.bankofengland.co.uk/speech/2019/mark-carney-speech-at-climate-related-financial-disclosure-summit plus www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/TCFD/News/First-ever-TCFD-Summit-to-accelerate-progress-on-climate-related-financial-disclosure and www.wbcsd.org/Programs/Redefining-Value/External-Disclosure/TCFD/News/First-ever-TCFD-Summit-to-accelerate-progress-on-climate-related-financial-disclosure

Source: *SBC Weekly Pānui*, 14th November 2019. 

Climate-related Financial Disclosures

"The Ministry for the Environment and the MBIE are consulting on Government proposals to require NZ financial firms and listed companies to report on the impacts for their business and investments in a consistent way. The aim is to help investors, shareholders and companies make informed decisions. ...

"The feedback from this consultation will inform the Government's decision on the proposed regime for climate-related financial disclosures.

"After the consultation period has ended, our Ministry and the Ministry of Business, Innovation and Employment (MBIE) will prepare a report which summarises the submissions.

"We will then seek agreement from Ministers for policy decisions on the proposed regime, including any recommended changes arising from the consultation.

"Following Cabinet approval, officials will begin introduction of new regulations.

Deadline: 13th December 2019

More: www.mfe.govt.nz/consultations/climate-related-financial-disclosures plus www.mfe.govt.nz/publications/climate-change/climate-related-financial-disclosures-discussion-document

Source: *Tieke: ECO Alerts & Events*, and CA ANZ 20th November 2019

Editor: Questions arise as to whether the many other elements of 'sustainability', or ESG may potentially be overlooked to the detriment of the 'big picture' – and actions 'skewed'. For example whether consumption which drives climate heating will be 'hailed in'. Systems are complex, inter-connected and inter-dependant. 

A Little Humour Might Help with Climate Change Gloom

"Climate news can be depressing. What if we used humour to introduce climate change issues while allowing young people to remain politically engaged?

More: www.eco-business.com/opinion/a-little-humour-might-help-with-climate-change-gloom/

Source: eco-Business.com, 13th November 2019. 

Is Capitalism Dysfunctional? This Former McKinsey Boss Says So

"Dominic Barton, global managing partner emeritus of McKinsey & Company and until recently chair of the International Integrated Reporting Council (IIRC), says capitalism needs to be reformed for the 21st century.

"Short-termism, rising social inequality, and evaporating trust in institutions and business mean capitalism is no longer working in the way it should.

"Barton argues integrated thinking, as well as integrated reporting, could make capitalism more sustainable.

More: www.acuitymag.com/opinion/is-capitalism-dysfunctional

Source: *Acuity*, 25th November 2019

Editor: Couldn't agree more! A few have been being saying similar for a decade or two.  ...

Crown Minerals Act Review

"The Crown Minerals Act 1991 is being reviewed. The discussion document and information about how to have your say and keep up with changes can be found on the MBIE's 'Have your say' page.

"MBIE is encouraging people to use the online survey otherwise contact Resource.Markets.Policy@mbie.govt.nz.

Deadline: Extended to 27th January per 27th November MBEI update; was 20th December

More: www.mbie.govt.nz/have-your-say/review-of-crown-minerals-act-1991/ and www.mbie.govt.nz/dmsdocument/7320-discussion-document-review-of-the-crown-minerals-act-1991

Source: *Tieke: ECO Alerts & Events*, 20th November. 

Impact Investor Insights 2019 Aotearoa New Zealand

"This research is the first in-depth study of Aotearoa New Zealand's (NZ) impact investment market, published by the Responsible Investment Association Australasia (RIAA) in partnership with The University of Auckland.

"The report highlights the level of awareness and interest, perceived barriers and priorities (impact area, geography and asset class) of investors in regard to impact investing in NZ. Data was sought from investors that are already making impact investments ('active impact investors') and those 'investors not yet active in impact investing'.

"The goal is to bring data to the impact investment discourse in NZ, which has thus far relied on anecdotal evidence of interest and activity. This data will help those with an interest in seeing growth of impact investment – notably investors and policymakers – take up the leadership mantle to play a role in creating a more sustainable and inclusive economy.

"When the Sustainable Development Goals were adopted by 193 members of the United Nations in 2015, an unprecedented call to action was issued to the investment community, acknowledging the critical contribution of finance in ending poverty, combating climate change and promoting sustainable economic growth.

"Since that time, we have witnessed a tangible shift taking place around the role and purpose of capital in society, alongside the dramatic growth in responsible investing over recent decades. Impact investing – as one approach to responsible investment – is playing a central role in defining and driving this shift. Globally and locally, we are seeing examples of impact investing's potential to champion innovative approaches in resolving entrenched issues and to direct capital towards the delivery of measurable, positive social and environmental outcomes.

"Quality data about market demand and activity is critical for the development of impact investing, both in highlighting the early work being done by pioneers as well as encouraging those not yet active to participate. This report presents the results of the inaugural 'Impact Investor Insights New Zealand Survey' conducted in July 2019 with New Zealand impact investors and investors not yet active in impact investing. The report charts investors' awareness, interest and activity in impact investing; how demand for impact investments is taking shape in New Zealand; and the prospects and challenges facing this emerging field.

More: www.ampcapital.com/nz/en/insights-hub/articles/2019/september/impact-investing-set-to-grow plus www.ampcapital.com/content/dam/capital/04-articles/blog-nz/2019/Impact-Investor-Insights-Aotearoa-NZ-2019-FULL-REPORT.pdf 3.43Mb, 33 pages and www.impactinvestingnetwork.nz

Source: SBN, 6th November 2019. 

Business School Students Are Putting the Planet before Profits

"MBA programs are grappling with how to teach students about climate change.

"The vibe is buoyant one October morning in a co-working space in New York's Financial District. About 60 students enrolled in Bard College's MBA in Sustainability program are gathered for a long weekend of classes covering such topics as making supply chains cleaner and investment portfolios more socially responsible. They'll also hear from Bob Litterman, Goldman Sachs's former head of risk management, who will talk about the non-profit Climate Leadership Council's plan to decarbonize the U.S. economy.

"Eban Goodstein, an economist who helped launch the Bard program in 2012, says putting the planet and its inhabitants before profits 'is an incredible paradigm shift' for business schools that have long trained their students to maximize shareholder value. Goodstein, who oversees Bard's sustainability graduate programs, sees the MBA as a timely alternative to conventional graduate business degrees. A growing number of students, he and other educators say, want to lead businesses committed to social or environmental missions. The point isn't to turn out sustainability specialists but leaders who've mastered business fundamentals and understand the need for sustainable practices across organizations. [A very interesting read.]

More: www.bloomberg.com/news/articles/2019-11-04/more-mba-students-want-sustainability-programs

Source: CSEAR, 7th November 2019. 

Aurora Organic Dairy Commits to 100% Carbon-Neutral Energy in Its Fourth Sustainability Report

"Aurora Organic Dairy [USA], the leading producer of organic dairy products for the store brand market, today published its 2019 Sustainability Report. The report provides a detailed and transparent update on the Company and its progress toward goals to improve its sustainability performance around three core pillars of Animals, People and Planet.

"With its support of more than 75,000 acres of organic farmland operated by more than 100 independent farmers, and 12,000 organic pasture acres surrounding its dairy farms, the leading producer of organic milk for store brand retailers has the scale to positively impact more animals, people and the environment with its commitment to animal welfare, employee care and environmental stewardship.

"The company is committed to reducing its GHG emissions by c30% by 2025. Given the urgent need to address climate change globally, Aurora Organic Dairy has made an important commitment to 100% carbon-neutral energy by the end of 2020. ...

More: www.3blmedia.com/News/Aurora-Organic-Dairy-Commits-100-Carbon-Neutral-Energy-Its-Fourth-Sustainability-Report plus www.auroraorganic.com/sustainability-report/13.10Mb, 90 pages

Source: *Report Alert*, 14th November 2019

Editor: Reports to GRI standards (Not verified.); 'Reporting guidance provided by sustainability consultants with dairy industry expertise.' See page 80 and 81. Aurora Organic seems to be an impressive company. ...

Supply Chains: Rights, Transparency and Collaboration

The latest *Radar* explores supply chains, ...

More: <https://radar.sustainability.com/issue-22/>

Source: SustainAbility, 27th November 2019. 

Resource Management System – Comprehensive Review

“The Resource Management Review Panel has been tasked with preparing and delivering comprehensive reform proposals on the resource management system for public consultation by mid-2020.

“The Review Panel has now released an Issues and Options paper to start a conversation about issues to be considered and addressed by the review and some initial thoughts on possible options. It seeks comments from stakeholders and iwi/Māori to inform the development of the panel’s proposals for reform.

“This paper identifies the issues to be considered in the reform process and offers possible ways they might be addressed. It also poses a series of questions for interested parties to consider and respond to.

Deadline: 3rd February 2020

More: www.mfe.govt.nz/rma/improving-our-resource-management-system plus www.scoop.co.nz/stories/PA1911/S00097/resource-management-reform-options-released.htm and www.mfe.govt.nz/sites/default/files/media/RMA/rm-review-final-terms-of-reference.pdf

Source: *Tieke: ECO Alerts & Events*, 13th November. 

Resource Management Act Amendments

“ECO has also submitted on the Resource Management Amendment Bill which introduced new provisions about freshwater consultation provisions, and which undid some of the unwelcome amendments to the Resource Management Act inserted by the previous government.

“The Panel reviewing the Resource Management system has now released an Issues and Options Paper which has a range of questions about the current system. The paper identifies the main issues to be addressed in the reform process and offers possible ways in which they might be addressed.

Deadline: 3rd February 2020

More: www.mfe.govt.nz/rmreview plus www.mfe.govt.nz/publications/rma/transforming-resource-management-system-opportunities-change-issues-and-options

Source: *Tieke: ECO Alerts & Events*, 13th November. 

Hemp is the New Oak: America’s First Hemp ‘Wood’ Factory is Being Built

“Now it’s legal to grow hemp in the United States, a man who’s spent the last decade developing hemp ‘hardwood’ is building a \$6 million factory to manufacture the product en masse.

“His patented product called ‘HempWood’ is made out of compressed hemp pulp fibres, held together with a soy-based glue.

“While that may sound like some new-fangled version of particle board, it’s not.

“It looks and feels like oak, but is actually 20% harder than the famous hardwood tree.

“It also grows 100 times as fast. While it takes an oak tree at least 6 decades to mature, it takes hemp 6 months. more than 40,000 acres of hemp are already being cultivated....

More: <https://returntonow.net/2019/04/14/americas-first-hemp-wood-factory-is-being-built/> plus www.woodworkingnetwork.com/news/woodworking-industry-news/58-million-kentucky-plant-will-engineer-hemp-wood

Source: Craig Skinner, 17th November 2019. 

Asparagopsis – What’s that?

It’s a variety of seaweed.

“Asparagopsis armata is an Australian and New Zealand-native, naturally abundant seaweed solution to the climate crisis. This cold-water variety is perfectly suited to the Australian and New Zealand climate for sustainable, long-term, environmentally friendly cultivation.

“And, it’s a solution for now, not 10 years from now.

“Immediately processed after harvest, our inexpensive, Australian/New Zealand-made, marine bio-product can be used as a feed supplement for cows and other farm animals (including goats, sheep and deer).

“And because feed costs will be lower, dairy farmers will be financially better off too.....

More: www.ch4global.com/fag

Source: Rob Skinner, 16th November 2019

Editor: Impressive team, one of whom about to join is a CA ANZ member → www.ch4global.com/who-we-are.. 

The Massive Cost of Not Adapting to Climate Change

“Slowing the planetary march toward climate catastrophe – and the multitrillion-dollar investment required to do it – has become a central issue of global and national debate. But there’s the equally expensive matter of dealing with the here and now: From historic wildfires to unprecedented hurricanes, global warming has reshaped the lives of millions, with increasingly tragic consequences.

“While humans must pay to end the burning of fossil fuels, they must also pay to change how they live, invest and build in a climate-changed world. On Monday, an international commission of government and private-sector officials told countries and corporations they have 15 months to jump-start reforms aimed at adapting to that changing environment. In 2020, the five-year anniversary of the Paris climate accord, signatories are scheduled to update their national commitments to the United Nations pact.

“The Global Commission on Adaptation was formed to help ensure that social and economic systems are hardened to withstand the consequences of climate change. But it was also given the job of publicising the financial and economic incentives in doing so, namely that there are trillions of dollars to be saved.

“In a new report, the 34-member group, led by Microsoft Corp. founder Bill Gates, former UN Secretary General Ban Ki-moon and World Bank Chief Executive Officer Kristalina Georgieva, concluded that \$1.8 trillion in investment by 2030 concentrated in five categories – weather warning systems, infrastructure, dry-land farming, mangrove protection and water management – would yield \$7.1 trillion in benefits.

“Chief among them is avoiding the costs of waiting too long.

“Financial resources for adaptation investments will have to come in a coordinated manner from across the entire financial system’, they write.

“Productive examples already abound. Two Danish asset managers are working with local communities in 15 climate-sensitive countries in need of adaptation strategies, but with no access to financial services. In Fiji, a 10% tax on the wealthy as well as major luxury items raised almost \$120 million for clean energy, disaster relief, reforestation, research and infrastructure in that Pacific island nation. In the U.S., Miami voters in November 2017 approved a \$400 million ‘Miami Forever Bond’ program which has already begun funding resilience projects.

More: www.bloomberg.com/amp/news/articles/2019-09-09/the-massive-cost-of-not-adapting-to-climate-change

Source: Tom Burkitt, LinkedIn, about 5th November. 

Return to Now

"Return to Now is dedicated to helping humans live fully in the present, while gleaned tips on how to do so from our distant past. It's a new kind of 'news' website, whose contributors are not as concerned with current events as we are with the whole of the human experience. Topics will include rewilding, primitivism, modern 'tribal' living, tips for getting off the grid, sustainability, natural health, peaceful parenting, and sexual and spiritual awakening.

More: <https://returntonow.net/about/>

Source: Editor, 17th November 2019. 

New Report Calls Out World's Largest Banks on Climate Failures

"A new report from Boston Common Asset Management surveyed 58 of the world's largest banks on their responses to climate change. Called *Banking on a Low-Carbon Future: Finance in a Time of Climate Crisis*, the study uncovered plenty of failure.

"Although green banking industry initiatives like the Task Force on Climate-related Financial Disclosures (TCFD), the Principles for Responsible Banking, the Katowice Commitment, and the Green Bond Principles are taking off, investment in fossil fuels continues to skyrocket.

"The fifth annual report found that only 50% of the banks surveyed are engaging high-carbon clients on transition strategies and just 12% ask high-carbon sector clients to adopt TCFD guidelines.

"These findings indicate a systematic reluctance by banks to demand higher standards from high-carbon sector clients, despite the fact that doing so could vastly reduce bank risk and accelerate action on climate change," the report says.

"Lauren Compere, managing director of Boston Common Asset Management and the report's author, discusses what the results mean, especially for sustainability leaders in the financial sector.

"There is no disincentive to reduce the amount of fossil fuel financing and, in fact, more than 1.9 trillion has been invested in the last three years alone since the Paris Agreement.

"Those that might have thought with an increase in green and sustainable finance we would see a natural decrease in 'brown' or climate-harmful financing. This is clearly not the case. A lot of it is market driven.

"What are the biggest take-aways from the report for sustainability leaders in the financial sector?

"While we see more advancement of TCFD on the governance and strategy side, we are not seeing enough impact on decision-making. This points to incremental progress, in particular with broader adoption of TCFD guidance as well as new risk assessment and scenario tools. But these actions have not accelerated the rate of decarbonising lending and investment portfolios, nor broadened the strategic adoption of low-carbon and green products and services.

More: www.environmentalleader.com/2019/11/world-banks-climate-failures/ plus <https://news.bostoncommonasset.com/bank-report-2019/> and <http://news.bostoncommonasset.com/wp-content/uploads/2019/11/Banking-on-a-Low-Carbon-Future-2019-11.pdf> 28pages, 17.69Mb, *Banking on a Low-Carbon Future: Finance in a Time of Climate Crisis – Impact Report 2019*

Source: *Environmental Leader*, 13th November 2019

Editor: Banks engaged included the Australian/NZ Big 4. 

The New Climate Math: The Numbers Keep Getting More Frightening

"When *Yale Environment 360* launched in June, 2008, our first lead story was a piece by climate activist Bill McKibben about how the world had just passed a critical climate tipping point of 350 parts per million of carbon dioxide in the atmosphere. This week, McKibben, a regular contributor to *e360*, writes about the latest numbers from researchers, which provide ever-more disturbing evidence of the unfolding climate crisis. He points to a new study which calculates the world's governments now plan to produce 120% more coal, gas, and oil by 2030 than the planet can burn and still have any chance of meeting the Paris climate targets. Yet while scientists keep raising ever-louder alarms about the urgency of tackling climate change, he notes, political leaders around the globe still aren't listening.

More: <https://e360.yale.edu/features/the-new-climate-math-the-numbers-keep-getting-more-frightening>

Source: *Yale Environment 360*, 27th November 2019

Editor: A sobering read containing a strong message plus practical solutions. Mentions Australia and NZ. 

G20 Heads in the Wrong Direction on Climate Action

"Emissions from energy, industry, transport, buildings and agriculture in G20 nations all rose in 2018, despite most have both the technical expertise and economic incentives to lower them, a major report has concluded.

"In order to keep global temperature rise to within 1.5°C – the limit recommended by climate scientists on the Intergovernmental Panel on Climate Change (IPCC) – G20 countries need to cut their current greenhouse gas emissions by at least 45% by 2030, compared with 2010 levels, and reach net zero emissions by 2070.

"But although there are positive signs in some sectors in some countries, the overall picture painted by the researchers is alarming. If current emission levels persist, the report states, the remaining carbon budget of 420 gigatonnes of CO2 will be expended in just over nine years.

"The G20 are responsible for around 80% of global emissions and the Green to Brown report is the most comprehensive annual review of their transition to net zero emissions economies. It is published by the Climate Transparency partnership, a coalition of research organisations and non-governmental organisations from the majority of the G20 countries.

More: www.eco-business.com/news/g20-heads-in-the-wrong-direction-on-climate-action/ plus www.climate-transparency.org/g20-climate-performance/g20report2019 65 pages, 14.89Mb *Brown To Green: The G20 Transition Towards a Net Zero Emissions Economy: 2019*

Source: *eco-Business.com*, 13th Nov 2019

Editor: Numerous graphs/tables. Page 49; *Financial policies and regulations in G20 countries supporting a brown to green transition* → pertinent to NZ discussion 'right now'.

Note: Page 51: "Some central banks set reserve requirements which require commercial banks to hold a minimum of reserves at the central bank. This amount is in proportion to the commercial bank's deposits. Reserve requirements could be reduced in proportion to the commercial bank's lending to green sectors thereby subsidising green credit. In other words, the commercial bank's money-creating ability increases in case of a 'green' loan portfolio, rendering the latter more profitable for commercial banks than a 'brown' loan portfolio...." 