

Sustainability Matters

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Disclosure of Climate-related Financial Risks Not Enough to Drive Action

"A new Griffith University study cautions over-reliance on a financial disclosure framework for driving climate action.

"Published in *Nature Climate Change*, the study highlights that while important, financial disclosure frameworks do not themselves drive market change. It recommends the positive global response to the Task Force on Climate-related Financial Disclosure (TCFD) framework be tempered with the reality of its limitations to drive climate action.

"Since its establishment by the G20's Financial Stability Board in 2015, the TCFD recommendations have received support by over 800 private entities world-wide, and is now being up-taken by the public sector.

"The TCFD framework asserts a more thorough disclosure of climate-related financial risks will promote better informed decision-making, risk-management and pricing of risk by market participants", said lead author, Ian Edwards from Griffith University.

"While risk disclosure can support a market-driven transition towards a more sustainable financial system, it is only one part of the puzzle. To ensure its success the TCFD Framework should be updated to incorporate consideration of other crucial factors."

"The study identified that in addition to disclosure, it is equally important to ensure the appropriate incentives to disclose, the mechanisms to enable market discipline and supply chain compliance.

More: <https://news.griffith.edu.au/2020/06/15/disclosure-of-climate-related-financial-risks-not-enough-to-drive-action/>

Source: *Carbon News*, 18th June 2020.

Editor: Aligns with thinking I've had for many years. 

Household GHG Emissions Grow 11.8%

"Between 2007 and 2018, direct greenhouse gas emissions from New Zealand households grew by 11.8% (over 1 megatonne), Stats NZ said today [11th June 2020].

"As a result, New Zealand households contributed 12% of New Zealand's total emissions in 2018', environmental-economic accounts manager Stephen Oakley said.

"This contribution is approaching that of manufacturing industries, which contributed 13.2% to emissions.

"Household emissions grew slightly faster than the increase in the number of households, which was up 11.0% over the same period, suggesting that since 2007 households have become slightly less efficient at managing their emissions."

"Household use of vehicles was the main contributor to this increase (up 12.8% between 2007–2018), with increased vehicle use relating to domestic tourism accounting for around 30% of this increase.

More: www.stats.govt.nz/news/household-greenhouse-gas-emissions-grow-by-11-8-percent

Source: Adam Tipper, Statistics, 11th June 2020.

Editor: Additional insights include 'Industries and households emitted 81 megatonnes of CO2 equivalents in 2018, a 1.1% decrease since 2007'. 

Climate Math: What a 1.5° Pathway Would Take

"Amid the coronavirus pandemic, everyone is rightly focused on protecting lives and livelihoods. Can we simultaneously strive to avoid the next crisis? The answer is yes – if we make greater environmental resilience core to our planning for the recovery ahead, by focusing on the economic and employment opportunities associated with investing in both climate-resilient infrastructure and the transition to a lower-carbon future.

"Adapting to climate change is critical because, as a recent McKinsey Global Institute report shows, with further warming unavoidable over the next decade, the risk of physical hazards and nonlinear, socioeconomic jolts is rising. Mitigating climate change through decarbonisation represents the other half of the challenge. Scientists estimate that limiting warming to 1.5°C would reduce the odds of initiating the most dangerous and irreversible effects of climate change.

"While a number of analytic perspectives explain how greenhouse-gas (GHG) emissions would need to evolve to achieve a 1.5°C pathway, few paint a clear and comprehensive picture of the actions global business could take to get there. And little wonder: the range of variables and their complex interaction make any modeling difficult. As part of an ongoing research effort, we sought to cut through the complexity by examining, analytically, the degree of change that would be required in each sector of the global economy to reach a 1.5° pathway. What technically feasible carbon-mitigation opportunities – in what combinations and to what degree – could potentially get us there? ...

"The good news is a 1.5°-degree pathway is technically achievable. The bad news is that the math is daunting. Such a pathway would require dramatic emissions reductions over the next ten years – starting now [Very long article]

More: www.mckinsey.com/business-functions/sustainability/our-insights/climate-math-what-a-1-point-5-degree-pathway-would-take

Source: *SnippETS*, 4th June 2020. 

Sport's Carbon Footprint is Global Bad News

"The amount of damage caused by global sport's carbon footprint and the other forms of climate pollution sport produces matches the havoc resulting from the activities of entire countries, a new study by a British journalist says.

"Emissions from global sport fuelling the climate emergency could, at the low end of estimates, equal those of a nation like Bolivia, but could reasonably also match those of nations like Spain or Poland, which consume much more fossil fuel.

"But the climate crisis is in its turn exacting a heavy price from the sporting world. The study says that by 2050: ...

More: <https://climatenewsnetwork.net/sports-carbon-footprint-is-global-bad-news/> plus www.rapidtransition.org/resources/playing-against-the-clock/ 44 pages, 1.61Mb

Source: *Carbon News*, 23rd June 2020

Editor: The issues apply also to NZ and Australia's globe-trotting professional teams. 

Accountancy Europe Leads the Non-financial Reporting Debate

"Accountancy Europe, which comprises 51 peak accounting bodies in Europe and represents 1 million qualified accountants, auditors and advisors, has released three publications to shape the debate on non-financial information (NFI) reporting.

"Among other matters the papers argue;

- Standard setting requires a multi-stakeholder approach with robust, independent governance and sufficient resources
- A voluntary, simplified reporting standard for SMEs could reduce administrative burden and effectively support delivering information on demand
- The materiality definition should be clarified to encompass wider impacts on society and the environment
- Assurance should be mandated at EU level
- The scope should encompass all companies that significantly impact the environment and society
- NFI should be disclosed as part of the management report, and needs to cover what is material to the company.

"Our new *Follow up paper: interconnected standard setting for corporate reporting analyses* t [June 2020, 23 pages 4.87Mb] the feedback received from our 40+ respondents [Includes CA ANZ]. Their key takeaways include:

- Developing a 'system solution' should be the ultimate goal to deliver global NFI reporting standards connected to financial information
- Achieving this goal could be in steps, such as bilateral moves towards closer aligning NFI reporting standards, policy developments, and expanding the mandates for multilateral organisations
- Following a 'building blocks' approach, where regional or sectoral requirements may be added to the core set of global NFI reporting metrics
- Building on the best of NFI frameworks and standards may be quickest
- Embracing the leading role that the EU has to play.

"A significant achievement of this project is the exclusive statement from CDP, Climate Disclosure Standards Board, Global Reporting Initiative and Sustainability Accounting Standards Board, which confirms their commitment to working together towards a globally harmonised system. This answers stakeholders' calls for NFI initiatives to move more decisively towards convergence.

"Our work to achieve reliable and comparable NFI reporting facilitates the shift to a sustainable economy. If corporate information is transparent, includes environmental and social impact, and can be verified, stakeholders can make the right decisions to help move to a sustainable economy.

More: www.accountancyeurope.eu/reporting-transparency/accountancy-europe-leads-the-non-financial-reporting-debate/ plus www.charteredaccountantsanz.com/news-and-analysis/news/your-voice-in-shaping-the-future-here-and-abroad

Source: *Acuity Newsletter* [CA ANZ], 22nd June 2020.

Editor: The December 2019 discussion paper *Interconnected standard setting for corporate reporting* is at www.accountancyeurope.eu/wp-content/uploads/191220-Future-of-Corporate-Reporting.pdf 28 pages, 5.89Mb. 

Hāpai Hapori Community Operations Update

"Hāpai Hapori is a business group within Te Tari Taiwhenua (the Department of Internal Affairs). It supports building community connection, innovation and empowering local people to create positive change in their communities.

"This update focusses on community-led development and how Hāpai Hapori has supported communities in the South Island.

"Community-led development is a planning and development approach where communities achieve their shared visions and goals by working together. Our goals are to support communities to build on their strengths; encourage wide community engagement; develop local leaders; create community action plans; and define outcome measures to evaluate their achievements. Our team of advisors support communities with both funding and advice dependant on the outcomes the community are looking to achieve.

"Hāpai Hapori focus on five principles in their approach to community-led development:

- Shared local goals driving action and change
- Using existing strengths and assets
- Many people and groups working together
- Building diverse and collaborative local leadership
- Adaptable planning and action informed by outcomes.

"Our experiences in Canterbury taught us that significant challenges provide an opportunity to activate these principles. Research highlights that communities initiating community-led development are stronger and more resilient when disaster strikes.

"The 2010-2011 Canterbury earthquakes created an environment for locally led community responses and initiatives to support community wellbeing. Communities came together to identify their own needs and create shared solutions.

"Project Lyttelton is a non-profit grassroots charity committed to building a sustainable, connected community. It is internationally recognised as a model for others seeking to build community using a community-led development approach. Projects happen through collaboration and strong leadership like their community garden, community market and light festival. ...

"Their TimeBank has inspired other communities to establish their own.

"Hāpai Hapori helped by providing early advice and support, ongoing funding, and they connected community organisations to support resilience. In the response to COVID-19, we hope to continue to support this work happening in communities throughout Aotearoa.

"Communities using a community-led approach have reflected; it's not just about what has been achieved, it's also about how and who has worked together on the journey, and the relationships that have developed and led to more resilient communities.

"Find more information on the community-led development visit our web site.

"We have a range of funding options available, check out our website or give us a call on 0800 824 824.

More:

<https://charitiesupdate.cmail19.com/t/ViewEmail/j/60B967C88F8F383A2540EF23F30FEDED/10388D93C33EC90AAF060D6555554232> plus www.communitymatters.govt.nz/community-led-development-journeys-shared/

Source: Charities Services, 19th June 2020.

Editor: Resembles some of the key features of InspireNZ <https://www.inspirenewzealand.nz/> 

145 Energy Efficiency Case Studies

"An Australian entity known as 'CEFC' has a 'unique role to increase investment in Australia's transition to lower emissions.

"We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges - in agriculture, energy generation and storage, infrastructure, property, transport and waste."

"At their web site they list 145 case studies including the February 2020 launch of \$1 billion fund to boost sustainable rental stock in emerging build-to-rent market.

More: www.cefc.com.au/case-studies/

Source: Editor, 11th June 2020.

Adani Green to build 8GW Solar Projects in India at Cost of \$6 billion

"India's Adani Green Energy has revealed it has won a government contract to build solar plants in the country which will have a total capacity of eight gigawatts (GW) and entail an investment of US\$6 billion over the next five years.

"The renewable energy developer said the first 2.0GW of generation capacity will come online by 2022.

"Reuters News agency reports the rest will be added in annual 2.0GW increments through 2025 in various parts of the country.

More: <http://econews.com.au/64576/adani-green-to-build-8gw-solar-projects-in-india-at-cost-of-6-billion/>

Source: eco-News, 10th June 2020.

Editor: This is the same group which is very intent on opening a huge coal mine in Queensland.

Cooling Tech Firms are Not Innovating or Promoting Energy-efficient Products

"Global energy demand from cooling technologies is expected to triple by 2050, but the companies which make air-conditioners and refrigerators are not innovating to rein in the sector's monster carbon footprint, nor are they promoting their most energy-efficient products, a new report has found. ...

"The report, published on Wednesday, [10th June 2020] studied the product portfolios of 18 of the world's biggest cooling companies, which are either Japanese, Chinese, Korean or American. These firms dominate the market, accounting for 60% of the US\$300 billion cooling industry.

"The study also found these companies are promoting and selling some of the least efficient products in their portfolios; those which are just enough to meet energy efficiency standards. ...

"Few regions are seeing demand for cooling grow as quickly as Southeast Asia, where aircon and refrigeration are projected to account for 40% of the region's electricity demand by 2040.

"Globally, emissions from cooling have tripled since 1990 and are continuing to rise, with space cooling set to become the biggest driver of growth in electricity from buildings over the next 30 years.

"Improving cooling efficiency would help achieve 40% of the emissions reductions needed to keep global warming to within the 2^o ceiling in line the Paris Agreement, according to the International Energy Agency.

More: [www.eco-business.com/news/playing-it-cool-on-climate-cooling-tech-firms-are-not-innovating-or-promoting-energy-efficient-products-report-finds-plus www.cdp.net/en/articles/media/cooling-sector-failing-on-low-carbon-opportunity](http://www.eco-business.com/news/playing-it-cool-on-climate-cooling-tech-firms-are-not-innovating-or-promoting-energy-efficient-products-report-finds-plus-www.cdp.net/en/articles/media/cooling-sector-failing-on-low-carbon-opportunity) with Executive Summary; 7 pages, 1.8Mb

Source: eco-Business.com, 10th June 2020.

Editor: These issues extend e.g. to NZ and Aust.

New Zealand Green Investment Finance – 1st Deal

"New Zealand Green Investment Finance is a green investment bank established by the Crown to accelerate investment that reduces greenhouse gas emissions in New Zealand. Set up two years ago by the Government with capital of \$100 has made its first investment.

"CentrePort – Wellington's port company – has entered into a green credit facility of \$15M with the fund to finance low carbon projects at the port. The lending will be exclusively used to fund low carbon projects which will reduce CentrePort's overall carbon footprint, such as the introduction of electric vehicles, on-site renewable energy generation and energy efficient upgrades. Successful investment in electrification, renewables and efficiency will not only assist the port to achieve its climate goals, but also provide an example for other firms, in the port sector and beyond.

"This deal marks a significant first step in our investment in New Zealand's long-term, low carbon economy', Craig Weise, New Zealand Green Investment Finance Chief Executive, said today [19th June 2020].

More: <https://nzgif.co.nz/latest-news> plus www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12341023

Source: NZ Herald, page A12, 19th June 2020.

Sustainable Business Council's Review of Reports of 45 of its Members

"Every two years we review how our members are progressing against their SBC Member Commitments and implementing sustainability within their organisations.

"This year, we also assessed 43 sustainability reports against the World Business Council for Sustainable Development (WBCSD) Reporting Matters (RM) framework.

"The report highlights the broad trends we're currently seeing in reporting and some of the best practice examples of the different criteria from across the membership. These findings are valuable for all of us to go further, faster, together. ...

"Highlights include;

- Many members are setting emissions reduction targets, and there is an increase of reporting on Scope 3 emissions.
- Applying sustainability to procurement systems continues to be a challenge for many members. This includes determining who has responsibility for this work within a business, and how to apply sustainability to different categories of goods, services, and activating improvement throughout the whole value chain.
- Most of our members' reports and microsites are accessible and well designed, with clear reporting on partnerships and collaborations, and many showed a balanced approach to including commentary about challenges as well as successes.
- Some members are showing more sophisticated approaches, such as applying life-cycle analysis to products and adding sustainability criteria to supplier contracts.
- With very few exceptions, there is a lack of detailed information and insight about how and why a company is aligning its strategy and targets with the Sustainable Development Goals.

More: www.sbc.org.nz/resources/reports/sbc-reports/member-review-2019-2020 23 pages, 4.44Mb plus https://docs.wbcsd.org/2019/10/WBCSD_Reporting_Matters_2019.pdf 62 pages 17.23Mb

Source: SBC Weekly Pānui, 11th June 2020.

Unequal Impact: The Deep Links Between Racism and Climate Change

"The killing by police of George Floyd has cast stark new light on the racism that remains deeply embedded in American society. In the *e360* interview, we talk with environmental justice advocate Elizabeth Yeampierre about the connections between racial injustice and the environment and climate change. Yeampierre, who co-chairs the Climate Justice Alliance, draws a direct line from slavery and the exploitation of natural resources to current issues of environmental justice. 'I think about people who got the worst food, the worst health care, the worst treatment, and then when freed, were given lands that were eventually surrounded by things like petrochemical industries', she says

More: <https://e360.yale.edu/features/unequal-impact-the-deep-links-between-inequality-and-climate-change>

Source: *Yale Environment 360*, 12th June 2020. 

Supporting Healthy Business for Healthy Materials to Build a Healthy Future

"In this time of pandemic and climate change Living Future is offering time and expertise to help guide and support our NZ product suppliers and importers toward a resilient and purposeful force which can drive positive change in our industry. ...

"This Online and In-Person interactive session is especially for building product suppliers keen to deepen their sustainability journey, see their wider context and help drive deep green buildings and contribute to a healthy living future in Aotearoa. ...

When/Where: Tues, 30th June, 10:00 am – 12:30pm. Online and in person at Penrose, Auckland

More: www.eventbrite.co.nz/e/supporting-healthy-business-for-healthy-materials-to-build-a-healthy-future-tickets-107165543024

Source: *Living Future Rākeiora News + Events*, 12 June. 

Focus on Sustainability

"Sustainability is fast becoming a hot topic and in recognition of World Environment Day we created a resource list with CAs and trusted business advisers in mind. Whether you're looking for successful sustainable business stories, wanting to introduce sustainability into your organisation, or thinking about changing your own spending habits, the CA Library has something for everyone.

More: The list comprises 15 items. For those who do not have log-in access to CA ANZ website I [Editor] have created a PDF file which is available for sharing.

Source: CA ANZ *What's new in your library?*, 12th June. 

Liquefied Air to Power Power Generation

"A new electricity storage facility, which claims to become the 'world's largest liquid air battery', has been backed by £10 million of [UK] government investment.

"The 'first commercial liquid air battery facility in the world' will land in Trafford, Manchester, and is expected to power as many as 200,000 homes for five hours every day.

"The 50MW/250 MWh cryogenic energy storage system will work by using electricity to cool and compress air, turning it into liquid and storing it in containers.

"It then will feed the liquid through a turbine, turning it back into electricity and pumping it back into the grid when it is needed.

More: www.energylivenews.com/2020/06/18/manchester-to-become-home-of-worlds-largest-liquid-air-battery plus www.theguardian.com/environment/2020/jun/18/worlds-biggest-liquid-air-battery-starts-construction-in-uk

Source: *Carbon News*, 20th June 2020. 

'Black Summer' Bushfires Played Out Exactly as Scientists Predicted

"The Bureau of Meteorology (BoM) has told Australia's Royal Commission into last summer's bushfires the season 'played out' the way its forecasts said it would.

"The Royal Commission, which is hearing about how Australia can better prepare for, and respond to, natural disasters, heard from its first witnesses, who focused on climate change and the financial impact of the fires.

"The commission started its first day [26th May] of witness hearings with Dr Karl Braganza from the BoM, who said the weather forecasts ahead of the last bushfire season proved to be very accurate.

"ABC News reports Dr Braganza told the commission a mix of climate drivers in the past few years led to an extended dry period, hotter-than-average temperatures and reduced humidity, particularly over the south-eastern states.

"We were getting strong indications of our seasonal drivers that we were going to favour hotter and drier conditions', he said. 'Unfortunately, the conditions turned out to be very severe.

"Things really played out the way our forecast models, both in climate and weather, suggested they would. ...

"ABC News reports Insurance Australia Group's Mark Lepastrier told the commission modelling it undertook showed while the total number of tropical cyclones in Australian waters might decline, the ones that did form would be more intense. ...

More: <http://economy.com.au/64521/black-summer-bushfires-played-out-exactly-as-scientists-predicted/>

Source: *eco-News*, 27th May 2020. 

It Seems Elephants Can Dance

"This is a story of change where the odds weren't great, but the leadership resolute.

"Karen Tregaskis of Tregaskis Brown, worked on a major change process with [NZ] Defence – it showed her what was possible with a well-managed process.

"Defence has successfully implemented a major change to the way they develop military capabilities. Creating real and enduring change for organisations is no small task. This case study highlights how Defence managed to avoid some common errors I see occurring across many organisations wanting to create significant change.

"Summary of common errors;

1. Senior executives failing to dedicate the required effort, resources, and sustained focus to make the change real
2. A lack of a clearly articulated, practical, and shared vision of the desired future
3. Assuming that by changing technology or infrastructure, everything else will also magically change
4. Failing to deliver something tangible and useful to the business early and regularly
5. Doing change 'to' the business rather than 'with' the business
6. Applying project thinking to a programme of transformational change
7. Declaring victory too soon
8. Assuming success is permanent.

More: *Public Sector Journal*, Volume 43, July 2020 Issue, Page 27/28 at https://ipan.org.nz/Attachment?Action=Download&Attachment_id=150350.

Source: IPENZ, 15th June 2020. 