

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children

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Nigeria's Okonjo-Iweala becomes First Woman, an African, to Lead WTO

"Ngozi Okonjo-Iweala formerly served as Nigeria's finance minister and spent 25 years at the World Bank, where she rose to the number-two position of managing director.

"She was appointed Monday [5th February] to head the leading international trade body as it seeks to resolve disagreements over how it decides cases involving billions in sales and thousands of jobs. ...

"She said in a statement her first priority would be to quickly address the economic and health consequences of the COVID-19 pandemic and to 'implement the policy responses we need to get the global economy going again.'

"Our organisation faces a great many challenges but working together we can collectively make the WTO stronger, more agile and better adapted to the realities of today', she said.

"The appointment came after new United States President Joe Biden endorsed her candidacy, which had been blocked by former President Donald Trump.

More: www.aljazeera.com/economy/2021/2/15/nigerias-okonjo-iweala-becomes-first-woman-african-to-lead-wto and https://en.wikipedia.org/wiki/Ngozi_Okonjo-Iweala

Source: *Carbon News*, 17th February 2021.

Benevolent Bean-counters: The rise of Sustainability-savvy Accountants

"Accountants are unlikely environmentalists. But the bean-counters play an ever more important role in helping companies navigate an increasingly complex world of sustainability reports, environmental and social regulations, and net zero commitments which must be budgeted and paid for.

"A recent study by the Association of Chartered Certified Accountants (ACCA), titled [Mainstreaming impact: Scaling a sustainable recovery](#), found 9 out of 10 finance professionals globally want companies to increase efforts to become more environmentally sustainable after the Covid-19 pandemic.

"Joining the *Eco-Business* podcast to talk about the role of accountants in building a better future is Jimmy Greer, the head of sustainability for ACCA. Greer designs and authors research and analysis on global social, economic and environmental risks, and their impacts on the economy and society.

"Join us as we talk about:

- Accountants' gripes about ESG reporting
- Are there too many sustainability reporting frameworks?
- Do the net zero numbers add up?
- How well versed are young accountants in ESG issues?
- Reinventing capitalism

More: www.eco-business.com/podcasts/benevolent-bean-counters-the-rise-of-sustainability-savvy-accountants/ Podcast 30:08, plus www.accaglobal.com/content/dam/ACCA_Global/professional-insights/MISR/JimmyGreer.MainstreamingImpact.pdf 34 pages, 8.296Mb

Source: *eco-Business.com*, 13th January 2021.

How to Avoid a Climate Disaster: The Solutions we have and the Breakthroughs we Need

"Bill Gates has changed our lives through his Microsoft software; he has improved countless lives through his foundation's work to eliminate polio, TB and malaria; and now he proposes to help save our lives by combating climate change.

"*How to Avoid a Climate Disaster* details the transformation necessary to reverse the effects of decades of catastrophic practices. We need, Gates calculates, to remove 51bn tonnes of greenhouse gases from the atmosphere every year. Failing to do so would cost more than the 1.5 million lives already lost to Covid-19 and could cause, he calculates, five times more deaths than the Spanish flu a century ago.

"Ever the technologist, Gates sets out a spreadsheet for getting rid of those 51bn tonnes of greenhouse gases and achieving net carbon zero emissions by 2050. We would need to use more renewables and fewer fossil fuels (which would account for roughly 27% of the reduction needed in emissions), and change how we manufacture our goods (31%), grow our food (18%), travel (16%), and keep our buildings warm or cool (6%).

"To achieve this, Gates provides a set of measures that could, if the UK government is listening, be transposed point by point into the formal agenda for this year's 26th United Nations Climate Change Conference, Cop26, in Glasgow

"Prewar economist John Maynard Keynes. His breakthrough in economic thinking offered a way out of the world depression and mass unemployment of the 1930s. But he was unable to persuade the political leaders of the day, and in frustration decried politics as 'the survival of the unfittest'. 'The difficulty lies not so much in developing new ideas as in escaping from old ones', he concluded. ...

"So vested interests like big oil will have to be enlisted for change. The populist nationalist and protectionist rhetoric of irresponsible demagogues will have to be taken head on. ...

"Success will come by demonstrating the real power countries can wield to create a better world is not the power they can exercise over others but the power they can exercise with others.

More: www.theguardian.com/books/2021/feb/17/how-to-avoid-a-climate-disaster-by-bill-gates-review-why-science-isnt-enough plus www.goodreads.com/book/show/52275335-how-to-avoid-a-climate-disaster --> See the comments

Source: *NY Times, Climate Fwd: The Texas storm and multiple failures*, 18th Feb 2021.

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Sustainability Matters

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Environment Commissioner Simon Upton's New Tourism Report Lays Down the Gauntlet

"Travel writer Sarah Bennett gives her view from the road as the Parliamentary Commissioner for the Environment lays down the gauntlet on tourism.

"For nearly 20 years, my husband and I have been professional travel writers specialising in New Zealand. Along the way, we've met thousands of travellers, tourism operators and everyday locals. It's been awesome.

"However as the years have passed, we've become increasingly uncomfortable about the way tourism is changing Aotearoa – its natural places, its communities and its culture. Unchecked growth is both undesirable and unsustainable. Now, Covid-19 has given us breathing space to take a good, hard look at tourism and work out how it can be done better, for our country and for the climate. ...

"With so many businesses in trouble, it's a difficult time to take any steps towards sustainable tourism, but we stand to lose a lot more than just money.

"Upton's proposals are well-timed and pragmatic. I sense he's carefully picked his battles while holding other intel on plans afoot.

"Maybe this explains why he hasn't addressed cruise-ship emissions. Even the most efficient ships emit three to four times more CO2 per passenger mile than a jet, and that's far from its only ill. Can we talk about that?

"In a matter of weeks, the Tourism Futures Taskforce will release its own report. It ought to apply yet more pressure for the Government to act.

"Aotearoa could well flourish as one of the world's most genuinely sustainable destinations. To borrow the words of business journalist Rod Oram, the tourism industry's greatest opportunities lie in tackling its greatest liabilities.

"Sarah Bennett is the editor of *100% Pure Future: New Zealand Tourism Renewed*' (BWB Texts, December 2020)**, a collection of essays on sustainable tourism by Dave Bamford, Susanne Becken, Hugh Logan, Rod Oram, Raewyn Peart, David Simmons, Erna Spijkerbosch, Te Ngaehe Wanikau and Tony Wheeler.

More: www.nzherald.co.nz/lifestyle/environment-commissioner-simon-uptons-new-tourism-report-lays-down-the-gauntlet/W6L40Q443DBFCSMY6N6T7QPMZ4/ [Paywall] plus www.businesstraveller.com/features/france-and-its-new-environmental-eco-tax-on-aviation/ What has been decided? Nothing as of yet. The proposals are set to be debated in parliament at the end of March 2021 and www.pce.parliament.nz/our-work/news-insights/media-release-not-100-but-four-steps-closer-to-sustainable-tourism *Not 100% – but four steps closer to sustainable tourism*, 142 pages, 2.35Mb

** www.bwb.co.nz/books/100-pure-future/ 184 pages \$14.99.

Source: *Canvas*, *NZ Herald*, 20th February pages 10 & 12 and. *Forever Project*, 19th February 2021. 

Plastic Waste Recycled into Bricks Stronger than Concrete by Kenyan Woman

"..... In 2017, Nzambi Matee opened a factory in Nairobi called Gjenge Makers, where workers take plastic waste, mix it with sand, and heat it up, with the resulting brick being five to seven times stronger than concrete. The factory accepts waste which other facilities 'cannot process anymore, they cannot recycle,' ... 'That's what we get'.

More: <https://theweek.com/speedreads/964944/kenyan-woman-finds-way-recycle-plastic-waste-into-bricks-that-are-stronger-than-concrete> Plus 2:25 video with 302 comments as at 3rd March at www.youtube.com/watch?v=QbZKP4UaTL8&feature

Source: *Snippets*, 25th February 2021. 

Merino Brands Go 'Regenerative'

"The New Zealand Merino Company and global merino brands Allbirds, Icebreaker and Smartwool are working with growers to create the world's first 'regenerative wool platform'.

"In a statement yesterday [11th February], the companies said they were doing their part to tackle the impact of the global fashion industry which was responsible for 10% of annual greenhouse gas emissions worldwide.

"They were working with 167 sheep growers to create the platform represented more than one million hectares in NZ.

"On-farm emissions represented about 60% of the emissions associated with woollen products and were their biggest opportunity to lower their impacts, the statement said.

"ZQRX is an important and necessary evolution of our ethical wool programme, ZQ. Through the adoption of regenerative practices that both store more carbon and emit less, we could reduce our on-farm emissions down to zero',

"Regenerative farming practices represented a considerable opportunity to sequester (store) carbon, and slow climate change, he said. ...

More: www.odt.co.nz/rural-life/rural-life-other/merino-brands-go-%E2%80%98regenerative%E2%80%99

Source: Malcolm Rands, Facebook, 18th February. 

Consequences Overlooked will Release a Double Dose of Carbon

"Ecologist Oswald Schmitz warns in the renewed debate over drilling in the Arctic National Wildlife Refuge, one troubling impact of oil development has been overlooked: Disrupting the annual caribou migration will have a profound effect on the soil and release even more greenhouse gas into the atmosphere.

"In addition to the carbon in the oil deposits, an estimated 10 to 20lb of carbon per sq ft of surface area lies within the uppermost 10ft of the refuge's permafrost. And scientists believe the 150,000 caribou which visit the refuge each spring help ensure permafrost-carbon stays locked up as a consequence of their grazing, Schmitz writes.

More: <https://e360.yale.edu/features/why-drilling-the-arctic-refuge-will-release-a-double-dose-of-carbon>

Source: *Yale Environment 360*, 19th February 2021.

Editor: It is necessary to look beyond the direct and obvious consequences of our actions and consider effects and outcomes not initially foreseen. 

Largest Solar Farm Proposed for Far North

"A massive 12ha solar panel farm – enough to power 2750 homes – is planned for the top of Northland, in what would be the largest of its kind in the country.

"Far North Solar Farm, a company of New Zealand and Australian solar installers, has applied for resource consent for the 16 megawatt solar farm at Pukenui.

"The site is on the Far North's Te Aupōri peninsular, a narrow landmass at risk of drought, where intensive avocado farming has raised concerns by locals worried about spray-drift and the demand for water.

"Far North Solar Farm managed to secure a lease on land now used for grazing and maize, because the landowner preferred the solar panels to any intensive horticulture, general manager John Andrews said. ...

"The site is also strategic for the company, and not just because the area has bright sunshine with little cloud cover.

"The Far North also has the highest wholesale electricity prices in the country, allowing the company to get a good price for its power, Andrews said. ...

More: www.stuff.co.nz/business/green-business/124224899/new-zealands-largest-solar-farm-proposed-for-top-of-country

Source: *Forever Project*, 19th February 2021. 

'Science-based' Corporate Climate Targets Are No Such Thing, says Former Advisor

"One of the instigators of an influential climate initiative for big business has gone public with criticism of its target-setting process, saying it does not measure up to its ambition.

"Bill Baue was among half a dozen people to start developing the concept behind the Science-Based Targets initiative (SBTi) in 2012 and served on its technical advisory group until recently.

"Last week, he submitted a formal complaint to the initiative's executive board and published it on *Medium*, with a detailed critique of the framework used for major corporations to set climate targets.

"As companies trumpet their climate ambition, there is growing scrutiny of their plans and actions – and the opaque vetting process for the coveted 'science-based' label.

"To quell the great public skepticism about this initiative, what's needed is an additional emphasis on transparency and accountability, using the latest science to guide these targets, and for these companies to back up their targets with their investment plans', said Jennifer Morgan, executive director at Greenpeace International.

More: www.climatechangenews.com/2021/02/24/science-based-corporate-climate-targets-no-thing-says-former-advisor/ .

Source: *ClimateHome News*, 27th February 2021. 

Supply Chain Transparency Legislation

"Deloitte and World Vision invite businesses to sign an Open Letter calling on the New Zealand Government to commence an inquiry into whether New Zealand should implement supply chain transparency legislation. ...

"Creating sustainable supply chains can positively contribute towards economic growth, improve competition, provide job opportunities as well as bring families out of poverty. A government inquiry into whether New Zealand should have a Modern Slavery Act that is backed by the business community will send a strong signal to the Minister regarding the values kiwis want to uphold in business practice.

"Signatures and organisation logos sought **by 9th March**

More: www.worldvision.org.nz/open-letter-msa/

Source: *SBC Weekly Pānui*, 25th February, 2021. 

The Solution is in Nature

"Nature-based Solutions (NbS) work with nature to benefit both natural ecosystems and the people that depend on them. By putting nature at the centre, NbS address a range of societal challenges: protecting, sustainably managing or restoring natural or modified ecosystems and supporting their health, function and biodiversity.

"The research collated in this brief confirms NbS deliver simultaneously multiple benefits and shows the wide-ranging beneficial impacts of scaling up their implementation across Europe.

"Nature-based solutions are our best ally in the fight against climate change and help deliver the EU Biodiversity Strategy for 2030. These solutions bring multiple benefits – they empower people and communities, they increase resilience, and they provide jobs and business opportunities. Scaling up our investments in nature-based solutions and stepping up their implementation is the best insurance policy of all [Page2]

"Nature is a vital ally in the human struggle with climate change. Nature regulates the climate, and Nature-based Solutions are essential for addressing global challenges such as reducing carbon emissions. [Page3]....

More: <https://ec.europa.eu/environment/integration/research/newsalert/pdf/issue-24-2021-02-the-solution-is-in-nature.pdf> 10.3M, 84 pages.

Source: Gerda Kuschel, 19th February 2021. 

Airbus Reveals Planes Sold in Last Two Years Will Emit Over 1bn tonnes of CO₂

"Planes sold by Airbus in 2019 and 2020 will produce well over 1bn tonnes of carbon dioxide during their lifetimes, according to landmark first estimates of the aerospace manufacturer's emissions.

"Airbus sold a record 863 planes in 2019, which would translate to 740m tonnes of carbon dioxide equivalent produced over a 22-year period, according to figures seen by the Guardian. It sold 566 planes last year, for which lifetime emissions would be 440m tonnes.

"The figures highlight the scale of the challenge of decarbonisation for the plane-making duopoly of Airbus and its US rival Boeing. Aviation accounts for about 1.9% of global greenhouse gas emissions, and this share is expected to rise rapidly as more people in poorer nations are able to afford to fly.

More: www.theguardian.com/business/2021/feb/26/airbus-reveals-planes-sold-in-last-two-years-will-emit-over-1bn-tonnes-of-co2

Source: *Carbon News*, 1st March 2021. 

Why Do we Care So Little about Poverty?

"Why do we care so little about poverty? The Salvation Army released its annual State of the Nation report on Wednesday [17th February], telling us, among other things, in the last year 23,000 more children are now living in benefit-dependent households.

"Big day for Covid news, to be sure, but even so, the report hardly caused a ripple.

"Directly related, Government emergency food grants have risen three-fold since 2017 and last year totalled 1.5 million. The Sallies distributed 113,000 food parcels themselves in 2020: nearly twice as many as the year before. Auckland City Mission, marae and other agencies that run foodbanks report similar stories.

"The Sallies also reveal that rents have been rising steadily for years and the fastest growth is in the lowest quartile. That is, since 2015, the poorest quarter of New Zealanders who rent have faced the largest rent rises.

"National has pointed out weekly rents have risen by \$100 since Labour came into office, which is true, but the data shows clearly the problem easily predates Labour. They're both complicit.

"As the Child Poverty Action Group (CPAG) told us in November last year, of the 42 recommendations of the Government's own 2019 Welfare Expert Advisory Group (WEAG), the number fully implemented was ... zero. ...

"One of WEAG's recommendations was quite big. It proposed an overhaul of the entire welfare system so, among other things, it regards children as 'paramount', provides incomes 'sufficient for an adequate standard of living', ensures people receive the 'full and correct entitlements' and treats everyone with 'dignity, respect and compassion'.

"Hang on. Those things are supposed to be the principles underlying the whole concept of a welfare state. How astonishing they need stating. How astonishing they are lacking at all. ...

"Decent housing, which impacts health, education, employment and community cohesion, is at the heart of everything we do about poverty. But despite all the activity, we're not really making a difference.

"How do we short-circuit that?

More: www.nzherald.co.nz/nz/simon-wilson-why-do-we-care-so-little-about-poverty/TEH5PB4EZUXYJTDKNETBUH2GYY/ [Paywall].

Source: *NZ Herald*, page A8, 19th February 2021. 

Engaging the Community Sector about Environmental Sustainability

"As Silvia Purdie talks with social service agencies she is finding they want to address their environmental sustainability but – other than recycling bins – they don't know how. Many are not aware that when they apply for government funding the procurement rules now require agencies to demonstrate environmental responsibility.

"Silvia says she is offering consultancy and training for the community sector and would love to talk to others interested in this space.

"I am passionate about empowering people to find their own solutions, based on their organisations values. Some sustainability issues we all have to confront, such as reducing waste and carbon. But the community sector has great potential to impact local communities, to improve the mental and physical health of their clients at the same time as improving the environment through projects. This is emerging internationally as 'green social work'.

"Therapists are dealing with an epidemic of climate anxiety in young people. All vulnerable communities will be impacted by climate change. All caring professionals can develop their own 'green' practice as they consider the natural world as well as human community.'

"Silvia adds; 'In Aotearoa New Zealand it is also vital to have a multi-cultural heart, to honour all ethnicities, the Treaty of Waitangi and encourage culturally diverse ways to be sustainable.'

When/Where: 13th April, Christchurch. Plus during May at Dunedin, Palmerston North and Wellington

More: www.place.net.nz/training.html plus www.mfe.govt.nz/publications/climate-change-national-climate-change-risk-assessment-new-zealand-snapshot and <https://www.taylorfrancis.com/books/routledge-handbook-green-social-work-lena-dominelli-bala-raju-nikku-hok-bun-ku/e/10.4324/9781315183213>

Source: Silvia Purdie, 1st March 2021. 

Capitalism, the Domsday Machine (or, How to Repurpose Growth Capital)

"David Fleming, the late British economist, contributed many blazing insights; one that's captivated my attention recently has to do with capital. Fleming counted six kinds of capital (natural, human, social, scientific/cultural, material, and financial), and noted all six can be used in either of two ways: as foundational capital (for the ongoing maintenance of society) or as growth capital (for the expansion of population and consumption). Here's the crux of his insight: a healthy society preserves its foundational capital, but periodically destroys or depletes capital which might be used for growth.

"To modern minds, this seems insane – like burning piles of paper money. Why would a society do this? Simply because a healthy society recognises unrestrained growth is suicidal. When population size and consumption rates exceed environmental carrying capacity, famine (or disease or war) will intervene to prune society back. If the overshoot is large, the pruning will be intense enough to be called 'collapse'. And that is something to be avoided.

"How do healthy societies destroy their growth capital? Sometimes, just by throwing a big party.

[Long article]

More: www.postcarbon.org/capitalism-the-domsday-machine/ plus 14th January 2019; www.postcarbon.org/sooner-or-later-we-have-to-stop-economic-growth-and-well-be-better-for-it/

Source: Post Carbon Institute, 26th February 2021. 

Recovery from COVID-19 toward a Low-Carbon Economy – A Role for Accounting Technologies

"Accounting technologies can be used to help stimulus packages achieve the twin goals of economic stimulus and climate mitigation. ... Despite the massive financial consequences of climate change, the current climate response is dominated by the economising logic which justifies limited action. Further, despite its strong potential, accounting technologies are not extensively used in the design of stimulus packages. The paper develops a framework to integrate accounting technologies** in the design, delivery and review of stimulus packages, thereby simultaneously enabling economic growth and social equity whilst addressing the climate crisis. ...

"The paper has two objectives. First, it seeks to examine how accounting technologies have been implicated in the debate regarding climate science and the corresponding climate response, and how these accounting technologies have been present or absent in the design of Covid-19 stimulus packages around the world. Second, the paper aims to explore the potential of accounting technologies to contribute to delivering positive climate benefits by being integrated into Covid-19 stimulus packages.

"Institutional logics and accounting technologies in organisation's climate response

"Competing logics in climate science and climate response

"Stimulus packages around the world – a triumph of the economising (and social) logic with some compromise for ecological logic

"Accounting technologies for a climate-friendly stimulus package

"Conclusion

** Accounting technologies refers firstly to artifacts including; accounting measurements, stimulus budget documents, risk assessment matrixes, and reports. Secondly to processes such as budget allocation, auditing, internal and external reporting. Thirdly, it encompass the know-how (knowledge) related to these.

More:

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3750449 36 pages, 926KB

Source: Binh Bui ex Victoria University of Wellington and now an assoc. prof. at Macquarie University, Sydney, 27th February 2021. Contact: binh.bui@mq.edu.au

Editor: This is a substantial work and especially merits consideration by policy makers, policy designers, economists and accountants. 

Structured ESG Disclosure via XBRL Taxonomy for Public Comment – SASB

"Today [2nd March] the Sustainability Accounting Standards Board (SASB) announced the SASB eXtensible Business Reporting Language (XBRL) taxonomy is now open for a 60-day public comment period. By integrating into the common language for business reporting, the SASB XBRL taxonomy can further enhance the quality and usefulness of SASB disclosures.

".... The format will allow for easier collection and comprehensive analysis of non-financial data' ...

More: www.globenewswire.com/news-release/2021/03/02/2185007/0/en/SASB-Advances-Structured-ESG-Disclosure-Via-Issuing-SASB-XBRL-Taxonomy-for-Public-Comment.html

Source: SASB 3rd March 2021.

Editor: Although perhaps not yet applicable to NZ and Aust. use of XBRL is mandatory for filings for many US and other entities. Keep abreast of developments. 