

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children



Designed by
www.vecteezy.com

Overselling Sustainability Reporting

"We're confusing output with impact. By Kenneth P. Pucker

"Over the past 20 years many forward-thinking academics, consultants, executives, and NGO leaders have promoted a theory outlining how businesses can prosper while pursuing a greener and more socially responsible agenda. These people, whom I refer to collectively as 'Sustainability Inc.', believed if companies committed to measuring and reporting publicly on their sustainability performance, four things would happen:

- Individual companies' social, environmental, and governance (ESG) performance would improve (because what gets measured gets managed).
- A link tying companies with better sustainability records to better equity returns would emerge.
- Investors and consumers would reward companies with strong sustainability performance – and put pressure on those that lagged.
- Ways to measure social and environmental impact would become more rigorous, accurate, and widely accepted.

"Over time, this virtuous cycle would result in a more sustainable form of capitalism.

"A casual observer might think this approach is working. In 2011 the authors of an HBR article titled '*The Sustainable Economy*' expressed confidence sustainability would soon 'simply be how business is done'. To some extent, they've been proven right: The number of companies filing corporate social responsibility (CSR) reports which use the GRI (Global Reporting Initiative) standards – the most comprehensive ones available – has increased a hundredfold in the past two decades. Meanwhile, according to the Global Sustainable Investment Alliance, socially responsible investment has grown to more than \$30 trillion – one-third of all professionally managed assets.

"However, a closer look at the evidence suggests the impact of the measurement and reporting movement has been oversold. During this same 20-year period of increased reporting and sustainable investing, carbon emissions have continued to rise, and environmental damage has accelerated. Social inequity, too, is increasing. For example, in the United States the gap between median CEO compensation and median worker pay has widened, even though public companies are now required to disclose that ratio.....

"It turns out reporting is not a proxy for progress. Measurement is often nonstandard, incomplete, imprecise, and misleading. And headlines touting new milestones in disclosure and socially responsible investment are often just fanciful 'green-wishing' (in the coinage of Duncan Austin, a former ESG investment manager). Worse yet, the focus on reporting may actually be an obstacle to progress – consuming bandwidth, exaggerating gains, and distracting from the very real need for changes in mind-sets, regulation, and corporate behaviour.

More: <https://hbr.org/2021/05/overselling-sustainability-reporting>

Source: CA ANZ, 11th June 2021.

Editor: An excellent article which resonates strongly. 

Two Scenarios about What Happened On Easter Island

"We all know the story, or think we do.

"Let me tell it the old way, then the new way. See which worries you most.

"First version: Easter Island is a small 63-square-mile patch of land – more than a thousand miles from the next inhabited spot in the Pacific Ocean. In A.D. 1200 (or thereabouts), a small group of Polynesians – it might have been a single family – made their way there, settled in and began to farm. When they arrived, the place was covered with trees – as many as 16 million of them, some towering 100 feet high.

"OK, that's the story we all know, the Collapse story. The new one is very different.

"It comes from two anthropologists, Terry Hunt and Carl Lipo, from the University of Hawaii. They say, 'Rather than a case of abject failure', what happened to the people on Easter Island 'is an unlikely story of success'.

"Success? How could anyone call what happened on Easter Island a 'success?'

"Well, I've taken a look at their book, *The Statues That Walked*, and oddly enough they've got a case, although I'll say in advance what they call 'success' strikes me as just as scary – maybe scarier.

"Here's their argument: ... "

More:

www.npr.org/sections/kruhwich/2013/12/09/249728994/what-happened-on-easter-island-a-new-even-scarier-scenario plus www.goodreads.com/book/show/10955304-the-statues-that-walked

Source: Malcolm Rands, Facebook, 2nd June 2021.

Editor: The article was penned 10th December 2013. 

8 Billion Angels

"Bill Mai, a Kansas farmer, was 12 years old when his irrigation system, rigged to the Great Plains Ogallala aquifer, was installed in 1948. At the time, it was a great novelty which helped increase yield and profit. But the water has dropped about one foot every year it is in use, leading many to wonder about the future of it.

"It's my responsibility to save the water. Just like it's my neighbour's responsibility to save that Ogallala [aquifer] water for future generations', says Mai, who has transitioned from aquifer use to a dry land farm which does not use irrigation to conserve the water. Across the state, Lon Frahm, the owner of Kansas farm Frahm Farmland, has a different perspective. His corn farm receives its irrigated water from the same aquifer. He, contrastingly, doesn't mull over its use: 'We're using it faster than it's being replaced. So, we'll just keep doing it until we can't.' Later, he looks out at the family farm he inherited from his late father in the 1980s. Then, the 6,000 acre farm was in a large amount of debt. He turned it into a profitable 30,000-acre industrial farm. 'So, am I good or evil?' Frahm ponders.

More: www.theguardian.com/film/2021/apr/28/8-billion-angels-documentary-overpopulation plus <https://8billionangels.org/>

Source: Center for Biological Diversity, 21st June 2021. 

The Brand New US\$2000 EV Pickup Truck

Payload 800lb, single cab, 28mph, 43-80 miles, 12" wheels. — Photos.

More: www.motorbiscuit.com/the-brand-new-2000-ev-pickup-truck-clzkc-009/ plus <https://electrek.co/2021/06/05/awesomely-weird-alibaba-electric-vehicle-of-the-week-changli-electric-pickup-truck/>

Source: *Carbon News*, 15th June 2021. 

Simplicity Fund and Vanguard Ethically Conscious International Shares Index Fund – Are They Ethical?

"Simplicity is a New Zealand non-profit fund manager owned by the Simplicity Charitable Trust. Are the Simplicity Funds ethical? Simplicity states they invest with a conscience. They will not make money from companies which cause harm. They will not invest in significant exposure to fossil fuel extraction, tobacco, weapons (including civilian firearms, nuclear and military weapons), landmines, alcohol, nuclear energy, adult entertainment, and gambling. Nor will they invest in companies breaching The UN Global Compact.

"The Simplicity Growth Fund is chosen for examination. Because the top investment (31%) of the Fund is Vanguard Ethically Conscious International Shares Index Fund, NZD hedged, and the second largest (17%) is Vanguard Ethically Conscious International Shares Index Fund, AUD, to answer the question, Is the Simplicity Growth Fund ethical? requires another question: Are the Vanguard Ethically Conscious International Shares Index Funds ethical?

"To answer these questions about Simplicity and Vanguard, the question then needs to be asked: are the measures they use, valid? Establishing the validity of a measure means showing the measure actually measures what it claims to measure. There are two steps to take to establish the validity of a measure: content and construct. To be a valid measure, both tests need to be passed. Content validity requires consideration at a conceptual level: does the measure make sense? Construct validity requires empirical considerations: is the application of the measure consistent with other empirical evidence?

"To pass the test of content validity, it needs to be shown the concept of harm, and the UN Global Compact, are comprehensive in covering the human-human and human-Earth moral domain. In addition to comprehensiveness, the concept of harm needs to be rich enough to generate the secondary concepts, schema and sets of obligations to be able to define a relationship that guides behaviour.

"To pass the construct test of validity, it needs to be shown in applying the concept of harm in the selection of companies, it conforms with other empirical evidence.

"In addition to the validity tests, Simplicity needs to follow the four steps used by funds follow best practice:

1. A definition of the Fund's values;
2. A description of the types of investment that are to be excluded from selection;
3. A description of the engagement taken with the companies selected for investment;
4. A report on the results of that engagement.

"Funds can exclude many types of companies or just a few. The latter choice is because the Fund wants to engage with companies to help reform them. Step 2 is tactical and hence there is not one right way of deciding what to exclude. But it makes Steps 3 (engaging) and Step 4 (reporting) important.

....

More: http://wiseresponse.org.nz/wp-content/uploads/2021/06/Simplicity_Vanguard_F.pdf
13 pages, 400KB

Source: Robert Howell, 21st June 2021. 

Urban Strategist Meredith Dale Named Future Thinker of the Year for 2021

"After impressing the judges with her passion and clear vision for the future of the built environment in Aotearoa, urban strategist Meredith Dale has been named the New Zealand Green Building Council Future Thinker of the Year for 2021.

"Having previously held roles in the public and private sector as a civil engineer, Meredith completed her Masters in Urban Planning and Urban Design at the University of Auckland last year and works as an urban strategist with The Urban Advisory.

"We need to work together, across disciplines and sectors to develop a shared vision for what kind of homes, neighbourhoods and cities we want and need in New Zealand", Meredith says.

"Prior to working at The Urban Advisory, I held roles in the public and private sector as a civil engineer providing specialist input to resource consents, and designing infrastructure for small to medium scale residential land development projects. In these roles, I developed an interest in urban design and insight into other disciplines which highlighted the wider system challenges of urban development, and the risks and limitations of engineering expertise seeking to resolve urban issues alone. I wanted to meaningfully participate in addressing these complex and systemic development challenges, to create better outcomes for communities. For this reason, I chose to complete a Masters in Urban Planning and Urban Design at the University of Auckland. While studying I held several roles supporting Council urban design teams in Christchurch and Auckland, and later joined The Urban Advisory as an Urban Strategist....

More: www.nzgbc.org.nz/KNOWLEDGEHUB/Story?Action=View&Story_id=676

Source: NZGBC, 10th June 2021. 

Nature's Grace Aotearoa Launches Products to Inspire More Help for Nature

"Brand new values-based business, Nature's Grace Aotearoa's mission is to inspire more action to restore nature by showcasing the beauty of our unique native endangered species. Their just launched, made-in-New Zealand jigsaw puzzles, card sets, journals and jotter pads feature our lesser-known endangered geckos and butterflies and information on what customers can to help. 10% of all sales are donated to conservation-focused charitable trusts.

"Please visit our web site to find out more about these special products which would make lovely meaningful gifts. They are our first set with more to come!

More: <https://naturesgrace.co.nz/>

Source: Gael Ogilvie, Nature's Grace, 17th June 2021. 

Health Co-benefits Need to Be Adequately Considered in the CCC's Final Advice

"The Climate Change Commission's final advice to the Government has been tabled in Parliament. This final report further acknowledged the potential health co-benefits of climate action presented in the Commission's draft advice. However, the Commission has excluded these health co-benefits from its economic analyses, which currently predict a reduction in GDP of 0.2-1.0% in 2035 and 0.3-0.7% in 2050. Thus, the Commission's final advice inadequately accounts for the financial benefits of reduced air and water pollution, increased active transport, improved housing and improved diets that could potentially result in net long-term savings to society from responding to climate change. ...

More: <https://blogs.otago.ac.nz/pubhealthexpert/health-co-benefits-need-to-be-adequately-considered-in-the-climate-change-commissions-final-advice/>

Source: *Carbon News*, 21st June 2021. 

Developing your Sustainability Voice

"The Now Crowd and the Air NZ Young Professionals Employee Network invite you to our joint event!

"We are hosting a morning panel discussion where we will focus on how to get buy-in from senior management and influence others within your organisation to incorporate sustainability into their decision making.

When/Where: Wed. 14th July, 8:00am-9:30am, Auckland

More: <https://sustainable.org.nz/sustainable-business-events/the-now-crowd-air-nz-yopro-network-presents-developing-your-sustainability-voice/>

Source: SBN 17th June 2021. 

Culling Forest Pests Could Reduce Our Climate Impact by 15%

"Culling deer, possums, goats, feral pigs and other invasive mammals could let established native forests recover to the point where they sucked in 15% of NZ's yearly greenhouse gas emissions, says a report from Forest and Bird.

"The conservation advocacy group has used a report by Crown science agency Scion, as well as independent estimates of the numbers of feral mammals and other information, to estimate how much eradicating pests could benefit the climate.

"Per year, counting foliage eaten directly and other impacts, the group estimated 8.4 million tonnes of carbon dioxide could be saved by culling pests to the lowest possible level.

"The group also tallied the methane belched by deer, goats and other feral mammals (not including pigs, which don't burp much of the greenhouse gas) – concluding methane from pests was also a significant contribution to warming. However, the group's report acknowledged its estimates of feral mammal numbers were uncertain, since many of the studies are decades old.

"Globally, it's been estimated that saving old forests from further damage and degradation is even more crucial to halting climate change than planting new trees.

"That's because new trees will take centuries to reach the same level of carbon storage.

More: www.stuff.co.nz/environment/climate-news/125475191/culling-deer-possums-and-other-pests-could-undo-15-per-cent-of-our-annual-climate-impact-forest-and-bird

Source: Editor, 18th June 2021. 

Pollution is Colonialism

"Waste is a product of a larger system', Max Liboiron said in a waste symposium this spring. And that larger system, in short, is colonialism. But pollution isn't colonialism's side effect – it's an 'enactment of ongoing colonial relations to Land.' Writing from an Indigenous, decolonised, feminist frame of reference, Liboiron acutely, poetically considers that relationship. The format also serves its function: in the footnotes, Land is alternately capitalised, according to Indigenous or settler perspectives. In another footnote, they define 'Land' itself. In fact, Land/land is where it starts for Liboiron, who is Métis/Michif (Woodman via Red River) and grew up in Lac la Biche, Treaty 6 territory. The footnotes are not afterthoughts; they are critical to the textual and human conversation, to reciprocate, interrupt, and incorporate a polyphonic voice. To read Liboiron is to constantly be surprised, re-educated, alarmed, and moved to practice anticolonial methodologies and interrogate everything we know. For someone who considered themselves to be a 'poor writer' because of dyslexia, Liboiron has written a text for the ages.

More: <https://orionmagazine.org/article/recommended-reading> plus www.goodreads.com/book/show/54288623-pollution-is-colonialism

Source: Orion, 18th June 2021. 

Green Speak Waikato Site Tour

"If you've been watching the growth of this new 49,000sqm facility on the outskirts of Cambridge, here is your chance to take a peak inside. Now in its very final stages of completion, parts of the building are already in use. Sustainability is at the heart of the project which nestles in what is shaping up to be a huge green campus for AGP and their staff. Come and celebrate this Green Star building first hand and hear directly from the people driving the project.

"Plus a few insights and highlights from the most successful Green Property Summit ever.

"More speaker details to follow

When/Where: 5:00 – 7:30 pm. 29th July, Cambridge

More:

www.nzgbc.org.nz/Event?Action=View&Event_id=1010 plus www.waterfordpress.co.nz/business/apl-window-solutions/ and <https://agpl.co.nz/>

Source: NZGBC, 10th June 2021.

Editor: This is a 'massive' facility which makes much more than double glazing for windows. 

Packaging Masterclass 2021

"Building on the success of the Plastics Masterclass series, the Sustainable Business Network (SBN) is taking this work to the next level with the 2021 Packaging Masterclass.

"The format has expanded to look at all forms of packaging – from plastic to glass to fibre and beyond.

"You'll come away with a better understanding of best practice in packaging and how to apply it.

"Discover:

- How different packaging materials fit into New Zealand's systems – from production to end of life
- How to avoid any unintended consequences during the necessary transition to lower impact packaging
- How to start taking action on packaging.

"You'll hear the latest updates from key players across the packaging system – government, industry, science and innovation, including:

When/Where: 9:00 – 5:00pm, Thurs 2nd Sep, Auckland

More: <https://sustainable.org.nz/sustainable-business-events/new-zealand-packaging-masterclass-2021/>

Source: SBN, 14th June 2021. 

<IR> Reporting Training

"Proxima are New Zealand's accredited training partners for the Global Reporting Initiative (GRI) and Integrated Reporting <IR> frameworks. Both frameworks are internationally recognised and have been recommended and endorsed by NZX as part of its 2017 Reporting Guidelines for listed companies to report on their sustainability related information. The frameworks help organisations credibly communicate their true sustainability performance to a range of stakeholders, and are equally valuable as internal strategic exercises as they are external communications initiatives.

When/Where: 28th/29th July

More: <https://proxima.global/courses-and-training>

Source: Sally Wilks, Proxima, 3rd May 2021.

Andani Switches Coal from Power to Plastic

"Even billionaire coal barons know the era of coal-fired power is over. But they're refusing to just leave it in the ground.

"So instead they've come up with a horrifying back-up plan: turn their unburnable coal into the dirtiest plastic on earth. ...

More: <https://actions.sumofus.org/a/coal-to-plastic> plus www.icis.com/explore/resources/news/2021/05/24/10643486/india-s-adani-group-plans-2m-tonne-year-coal-to-pvc-plant

Source: SumOfUs, 16th June 2021. 

Percy Vs Goliath

"This inspirational drama tells the true story of a Canadian farmer who took on an agrochemical giant.

More: <https://www.nzherald.co.nz/entertainment/movie-review-percy-vs-goliath/QVBSORT4DEZ7RCCV4C75UMW32A/> [Paywall] plus <https://civileats.com/2021/04/30/percy-vs-goliath-is-a-cautionary-tale-of-corporate-control-in-agriculture/>

Source: *NZ Herald*, page A34, 15th June 2021. 

The Chancery Lane Project

"An introduction to the international project to develop new contracts and model laws to fight climate change.

"Phoebe Roberts (Director of Implementation & Co-lead of APAC) and Charlotte Turner (Co-Lead APAC) give an overview [10th June] of the Chancery Lane Project including ways of getting involved in New Zealand. Phoebe and Charlotte are based in Melbourne and work in the Climate Risk Governance team at MinterEllison.

"The Project has a global community of over 700 legal professionals who convene at events which provide a unique opportunity in the field of law to engage mainstream lawyers in reconsidering their practice areas and industries within a climate conscious framework. These events produce pieces of drafting – the precedent contract clauses – which after a rigorous peer review process by TCLP's partner law firms and specialist editors, are published as an open source knowledge resource on our website. To date (May 2021), the Project's open source content has been downloaded more than 55,000 [now 61,000] times across 73 countries.

"We ask non-members to please make a donation to LCAZI if they view the [recorded] webinar.

More: www.lawyersforclimateaction.nz/webinars plus <https://www.youtube.com/watch?v=6R2KoUvngwU> 58:31 and <https://chancerylaneproject.org/>

Source: Lawyers for Climate Action, 3rd June 2021.

Editor: The insights could be helpful to accountants and others in guiding their clients/employers. 

Generation Impact: International Perspectives on Impact Accounting

"Mistrust in big business and major politicians, coupled with recent scandals in international development, grew from a blatant lack of accountability between decision-makers and recipients. Remedies seem to lay within the UN Sustainable Development Goals, the rise of social entrepreneurship, and the demand for responsible practices, all key drivers for social, rather than merely financial, returns on investments. Yet accounting for such returns remains scattershot and unevenly implemented.

"With contributions from world-leading scholars and practitioners, *Generation Impact* brings together lessons from both developed and developing economies, shares current best practice and suggests future trends in impact accounting. The book analyses social and environmental capital protocols, the international convergence in impact investing, organisational management and capacity-building and best practice in assurance and training, and offers reflections on policy directions. Through its case-studies it provides insights into a growing global community of practitioners, academics, impact investors, policy-makers and organisations of all kinds working to cement the central importance of accounting for social value.

More: <https://books.emeraldinsight.com/page/detail/Generati-on-Impact/> 312 pages, Jan 2021

Source: CSEAR, 1st June 2021. 

35 years ago in *The Times*: AIDE SEES NEED TO HEAD OFF GLOBAL WARMING

"Everything must be known before anything can be done."

"*The New York Times* didn't just start writing about climate change yesterday. Our archives show coverage of the accumulation of greenhouse gases and their possible damaging effects through global warming that go back decades; I've found discussions of climate science going back to the 1960s. It's no surprise: science coverage has always been one of the mainstays of *New York Times* journalism.

"For today, take a look at this story, published 35 years ago this month, on 11th June 1986: 'Aide Sees Need to Head Off Global Warming.'

"It's a pretty early use of the phrase 'global warming' by the *Times*, and the story discusses testimony by the administrator of the Environmental Protection Agency at the time, Lee M. Thomas.

"In the story, Philip Shabecoff, a pioneer of climate coverage, wrote that Mr. Thomas told the senators 'some intervention' by Government to address the build-up of manmade gases in the atmosphere now appears to be necessary.'

"The official noted political action might have to be taken to deal with the problems 'even while there is scientific uncertainty'.

"Other Reagan administration officials were not so certain, and said more research was necessary to resolve scientific questions before taking action.

"It sounds a bit familiar, right?

More: https://messaging-custom-newsletters.nytimes.com/template/oakv2?campaign_id=54&emc=edit_clim_20210609&instance_id=32628&nl=climate-fwd%3A&productCode=CLIM®i_id=102533053&segment_id=60282&te=1&uri=nyt%3A%2F%2Fnewsletter%2F0e69b48f-36d4-5283-bab9-de3a92d23d6a plus www.nytimes.com/1986/06/12/us/aide-sees-need-to-head-off-global-warming.html

Source: *NY Times Climate Fwd*, 10th June 2021. 

The Bicycle is the Slow Death of the Planet

"General Director of Euro Exim Bank Ltd. got economists thinking when he said:

"A cyclist is a disaster for the country's economy: he does not buy cars and does not borrow money to buy. He does not pay for insurance policies. He does not buy fuel, does not pay for the necessary maintenance and repairs. He does not use paid parking. He does not cause serious accidents. He does not require multi-lane highways. He does not get fat.

"Healthy people are neither needed nor useful for the economy. They don't buy medicine. They do not go to hospitals or doctors. Nothing is added to the country's GDP (gross domestic product).

"On the contrary, every new McDonald's restaurant creates at least 30 jobs: 10 cardiologists, 10 dentists, 10 dietary experts and nutritionists, and obviously, people who work at the restaurant itself.'

"Choose carefully: cyclist or McDonald's? It is worth considering.

"P.S. Walking is even worse. Pedestrians don't even buy bicycles.

More: Facts check Verdict: False per <http://www.pibfactcheck.in/facts-check/sanjay-thakrar-ceo-euro-exim-bank-ltd-cycling-bad-for-economy-15825.html>

Source: Many social media posts 20th June and later.

Editor: Even if the story is false it bears thinking about. 