

Sustainability Matters

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Business achieving a tomorrow for tomorrow's children

28th October 2021



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NZ Passes World-first Climate Reporting Law

"New Zealand has become the first country in the world to pass a law forcing financial [and other] institutions to disclose and, the government says, act on climate-related risks and opportunities.

"We have an opportunity to pave the way for other countries to make climate-related disclosures mandatory", climate change minister James Shaw said. 'New Zealand is a world-leader in this area and the first country in the world to introduce mandatory climate-related reporting for the financial sector.'

"The new rules will apply to large insurers, banks, publicly listed companies, listed issuers and investment managers. At present, most of these large New Zealand entities provide little information on what the climate crisis and global heating might mean for their future operations. By forcing them to disclose that, the law hopes to ensure the effects of the climate crisis are constantly considered in business, investment, lending and insurance underwriting decisions.

"Climate-related disclosures will bring climate risks and resilience into the heart of financial and business decision making", Shaw said. 'It will encourage entities to become more sustainable by factoring the short, medium, and long-term effects of climate change into their business decisions.'

"Ardern says climate crisis is 'life or death' as New Zealand landmark report calls for sweeping changes.

"This bill will require around 200 of the largest financial market participants in New Zealand to disclose clear, comparable and consistent information about the risks, and opportunities, climate change presents to their business. In doing so, it will promote business certainty, raise expectations, accelerate progress and create a level playing field', commerce and consumer affairs minister David Clark said in a statement after the bill passed its third reading on Thursday [21st October]

More: www.theguardian.com/world/2021/oct/21/new-zealand-becomes-first-country-to-force-finance-companies-to-act-on-climate-risks plus www.beehive.govt.nz/release/nz-passes-world-first-climate-reporting-legislation and www.lexology.com/library/detail.aspx?q=aabae2a4-8884-4f0b-adb9-bf264e45ad71

Source: *Carbon News*, 21st October 2021

Editor: Effective financial years beginning in 2023. The XRB released its first consultation document focussing on Governance and Risk Management for the proposed climate-related disclosure reporting standards on 20th October 2021. Consultation on standards for the Strategy, and Metrics and Targets will follow.

If you would like to support the production of *Sustainability Matters*

contributions would be much appreciated.

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Flying Blind: The Glaring Absence of Climate Risks in Financial Reporting

"This report examines whether 107 publicly-listed carbon-intensive firms (and their auditors) considered material climate-related risks in financial reporting. At the same time the study also assesses whether investor concerns about Paris-alignment of assumptions and estimates have been addressed.

"Despite significant financial risks faced from the climate crisis, and net-zero pledges made by many we found little evidence companies or their auditors considered climate-related matters in the 2020 financial statements. ...

"Key Findings

- There is little evidence that companies incorporate material climate-related matters into their financial statements.
- Most climate-related assumptions and estimates are not visible in the financial statements.
- Most companies do not tell a consistent story across their reporting.
- There is little evidence auditors consider the effects of material climate-related financial risks or companies' announced climate strategies.
- Even with considerable observable inconsistencies across company reporting ('other information' and financial statements), auditors rarely comment on any differences.
- Companies do not appear to use 'Paris-aligned' assumptions and estimates.

When/Where: Midnight – 2:00am 13th November [NZDT]

More: <https://carbontracker.org/reports/flying-blind-the-glaring-absence-of-climate-risks-in-financial-reporting/> 84 pages, 1.88Mb plus https://carbontracker.zoom.us/webinar/register/WN_uDw_LsYdQRGTvwng77mQmA

Source: Climate Tracker, 21st October 2021.

A View of New Zealand's Response to COVID-19 in a 'Noisy World'

"The uncertainty around COVID-19 is creating unease about what lies ahead. There is concerted and strong action from government and communities to pull out the stops to mitigate the risk by pushing for vaccination. Some things done well, some not so well.

"Just imagine what we could achieve if we felt the similar urgency about other crises we face, including climate change and biodiversity loss. The McGuinness Institute has conceived of the challenges we face as 'a noisy world'. A helpful concept for understanding our responses to threats. You can look at a brief summary of this on our website. Within this summary is a link to the slide deck from the McGuinness Institute laying out their assessment of New Zealand's response to COVID-19. Worth dipping into.

More:

https://ipan.org.nz/Article?Action=View&Article_id=150345 plus www.mcguinnessinstitute.org/wp-content/uploads/2021/09/20210906-10.45-Discussion-Paper-2021-03-Slideshare.pdf.

Source: IPANZ, 12th October 2021.

On-Farm Emissions Calculations for Accountants

"He Waka Eke Noa is a five-year program which empowers farmers and growers to measure, manage and reduce on-farm emissions; recognise, maintain or increase integrated sequestration on farms; and adapt to a changing climate.

"By 31st December 2022, all [NZ] farmers must know their on-farm emission numbers. This Sharing Knowledge session advised accountants on the work He Waka Eke Noa is doing and taught them how to use simple on-farm emission calculators so that they can provide this service to their clients.

Webinar featuring;

- Nick Tait, Lead Advisor, Dairy NZ
- Dick Wallace, Senior Researcher, Environment FAR, Arable
- Michelle Sands, Environment Manager, Horticulture NZ
- Corina Jordan, General Manager, Extension North Island, Beef +Lamb NZ
- George Collier, FCA, Director, ICL Chartered Accountants

When/Where: 8th October, 1hr 34min recording.

More: www.charteredaccountantsnz.com/news-and-analysis/news/sharing-knowledge/supporting-business?videoId=6276502296001

Source: Derek Chi, Climate & Sustainability Group, CA ANZ, 21st October 2021. 

Why the World's Rich Nations Must Pay for Climate Damage

"Author and activist Bill McKibben argues rich nations, which have contributed the most to climate change, should compensate developing countries for their mounting damage and loss from increasingly extreme weather events and rising seas. According to two studies, by 2050 annual climate damages in the developing world will average somewhere between \$1.1 and \$1.8 trillion. 'Somebody has to pay for all that wreckage of lives and property', McKibben writes, 'and it's pretty clear those somebodies inhabit the countries which got rich burning fossil fuel'.

More: <https://e360.yale.edu/features/for-climate-equity-developing-nations-must-be-paid-for-damages>

Source: *Yale Environment 360*, 15th October 2021

Quote: 'As droughts deepen, so will the thirst for justice.' 

The Next Generation of Climate Leaders and How We Can Help

"While the climate crisis is frightening for all of us, younger generations have most at stake in limiting its impact and dealing with the consequences of humanity's most destructive mistake.

"... A conversation about how young activists are stepping up to tackle the climate emergency, what would-be activists can meaningfully do in their own lives, and how young people can build their emotional and psychological resilience ..."

More: www.postcarbon.org/events/youth-rising/

Source: Post Carbon Institute, 22nd October 2021. 

NABERSNZ, How it May Affect You

"This webinar from ESP for building owners, property managers and tenants will cover what NABERSNZ ratings are, how they work, and what's involved to achieve a good result.

"NABERSNZ ratings are now mandatory for many government tenancies.

When/Where: Wed. 3rd November, Noon NZDT. Online

More: <https://insights.esphq.com/know-your-nabersnz-webinar-registration>

Source: *SBC Weekly Pānui*, 21st Nov. 

17 SDGs by SEVENTEENx

"SEVENTEENx exists to Educate, Engage and Enable businesses around the world with the Sustainable Development Goals. To inspire us all to take action and imbed the Global Goals and impact into the very core of everything we do.

"This event will introduce you to an inspiring change maker:

- Each speaker is an inspiring change maker from Brisbane
- They have 17 minutes each to tell their story of impact and social outcomes
- Each speaker's story will relate to one of the sustainable development goals
- Along with a Q&A panel of all speakers.

"SEVENTEENx Brisbane is brought to by Chartered Accountants of Australia & New Zealand hosted by the QUT Business School at their fabulous venue Room Three Sixty.

"All speakers are home grown heroes from the Brisbane area, ready to inspire their community on how to do things a little differently.

"Our Panel discussion QnA session to close the event will be moderated by one of Brisbane's most influential purpose driven entrepreneurs Yasmin Grigaliunas from The World's Biggest Garage Sale.

When/Where: Wed 10th Nov 2021, 5:20–9:30 pm AEST online and live in Brisbane

More: <https://events.humanitix.com/seventeenx-brisbane-21>

Source: Derek Chi, Climate & Sustainability Group, CA ANZ, 19th October 2021.

Editor: Potential for similar event(s) in NZ? 

Access to a Healthy Environment, Declared a Human Right by UN Rights Council

"The U.N. Human Rights Council on Friday [15th October] recognised access to a clean and healthy environment as a fundamental right, formally adding its weight to the global fight against climate change and its devastating consequences.

"The vote passed with overwhelming support, despite criticism in the lead-up from some countries, notably the United States and Britain.

"The resolution, first discussed in the 1990s, is not legally binding but has the potential to shape global standards. Lawyers involved in climate litigation say it could help them build arguments in cases involving the environment and human rights.

"This has life-changing potential in a world where the global environmental crisis causes more than nine million premature deaths every year', said David Boyd, U.N. special rapporteur on human rights and the environment, who called the decision a 'historic breakthrough'.

"The text, proposed by Costa Rica, the Maldives, Morocco, Slovenia and Switzerland, was passed with 43 votes in favour and abstentions from Russia, India, China and Japan, prompting a rare burst of applause in the Geneva forum.

"The World Health Organization estimates 13.7 million deaths a year, or around 24.3% of the global total, are due to environmental risks such as air pollution and chemical exposure.

"Another proposal led by the Marshall Islands to create a new special rapporteur on climate change was also approved by the Council.

More: www.reuters.com/business/environment/un-passes-resolution-making-clean-environment-access-human-right-2021-10-08/ plus <https://news.un.org/en/story/2021/10/1102582>

Source: Lawyers for Climate Action, 15th October 2021. 

Could Property Law Help Achieve 'Rights of Nature' for Wild Animals?

"A new legal theory proposes granting property rights to wildlife to protect them from habitat destruction.

"Humans share the Earth with billions of other species. We all need somewhere to live, yet only humans own their homes.

"What if other species could own theirs as well?

"That's what Karen Bradshaw, Arizona State University law professor, proposes in her recent book, *Wildlife as Property Owners*.

"Drawing on indigenous legal systems and the ideas of philosophers and property law theorists before her, Bradshaw argues wild animals should be integrated into our system of property law to prevent further habitat destruction – the leading cause of species extinction.

"Under what Bradshaw calls an 'interspecies system of property', animals and people would co-own land through a legal trust. This would give animals, through their human representatives, standing in court, like other property owners.

"The proposal may seem radical, but it fits into the more well-known concept of 'rights of nature'. These indigenous-led efforts to establish legal personhood for natural entities have seen expansive rights granted to ecosystems such as the Klamath River in Oregon and Te Urewera rainforest in New Zealand.

"In the latest development within the rights-of-nature movement, the White Earth Band of Ojibwe tribe in northwestern Minnesota filed a first-of-its-kind lawsuit against the state on behalf of wild rice, called manoomin in their language. The tribe argued allowing fossil fuel company Enbridge to divert billions of gallons of groundwater for the construction of the Line 3 oil pipeline violates manoomin's rights, which tribal law recognised in 2018.

"Could granting a more limited, and perhaps less controversial, right to property similarly help us to account for the interests of nature?

More: <https://therevelator.org/wildlife-property-law-plus-www.forbes.com/sites/grrlscientist/2021/08/31/wildlife-as-property-owners-by-karen-bradshaw---review/>

Source: Center for Biological Diversity, 22nd October 2021. 

Biocapacity: Living Within Our Local Limits

"Dr Ella Lawton was the primary researcher for the New Zealand Footprint Project in 2013. The project looked at how different lifestyles and urban forms consumed differently and the types of changes needed to live within each person's fair earth share. The project team was also interested in understanding the role that policy could play in the development of urban forms that support individuals and communities to reduce their individual and collective footprint.

"Ultimately the answer is to live and consume locally. Hyper-localism can reduce the average ecological footprint by more than half. Living locally means relying on the available biocapacity of your catchment, and the infrastructure available to support it. Lifestyles, particularly of the wealthy, would be drastically different. We will explore these opportunities using the scenarios developed through the NZ Footprint Project research.

"In 2013 Ella was elected to the Queenstown Lakes District Council and later the Otago Regional Council. ...

When/Where: 7:30 – 900pm 10th November, online

More: www.ourclimatedeclaration.org.nz/biocapacity_living_within_limits

Source: Climate Declaration, 18th October 2021. 

NZ's Organic Farmers of the Year

"New Zealand's organic farmer of the year has been announced at the Organic NZ Awards.

"The prize has gone to Niva and Yotam Kay from Pakaraka Permaculture in Thames.

"The farm is off-grid and powered by solar and micro-hydro systems.

"They produce 12,000 kilos of food on one third of an acre, Yotam Kay told Jesse Mulligan.

"We're using a very small piece of land to grow a lot of vegetables very intensively. We grow a diversity of crops so we have more seasons.

"We have between 20 to 30 different crops and many varieties between them that go along with each other. So, we have beds which can have four to eight different crops in one season.' ...

"We work with hand tools, we don't work with heavy machinery. And we put a really high emphasis on soil health both below the ground and create a healthy system above ground, which allows us to have really high productivity levels.'

"The farm gets more productive year on year, he says.

More:

www.rnz.co.nz/national/programmes/afternoons/audio/2018813061/nz-s-organic-farmers-of-the-year

Source: *SnippETS*, 7th October 2021. 

Climate Action Workshop Series

"The UN Climate Change Conference, COP26, is about to start in the UK, so we've teamed up with the British High Commission Wellington to help Kiwi businesses play their part in reducing carbon emissions. We're running a series of interactive online workshops to teach new skills and inspire action. The series starts with an exclusive workshop for SBN Investors followed by five regional workshops open to all businesses. Spaces are limited. Be sure to get in quick. Click the links below to learn more and register. If you're not based in one of the five regions you can join a workshop by contacting georgia@sustainable.org.nz

When/Where: 21st October Exclusive SBN Investor online workshop. Events are recorded.

Other online workshops;

- 27th October Auckland
- 4th November Tairāwhiti
- 11th November Canterbury
- 18th November Nelson & Marlborough
- 24th November Kāpiti Coast

More: <https://sustainable.org.nz/sustainable-business-events/>

Source: SBN, 20th October 2021. 

None of Us See Risk Clearly

"We have blind spots about risk, individually and collectively. We would benefit from a much more sophisticated approach towards estimations and reactions to risk. This little article makes the point that whilst it is tempting to try to anticipate and pin down and get prepared for all possible risks from now, it is much more important for us to develop resilience and adaptability. This lesson applies to government and the public service as well as individually.

"Let's remember we exaggerate fears of dramatic risks, and react, and underestimate slow and invisible risks, and fail to react. Public servants are often criticised for being risk averse – maybe this implies risk as binary and is far too simplistic?

More: www.geoffmulgan.com/post/risky

Source: IPANZ, 12th October 2021. 

Powerful, Local Stories Can Inspire Us to Take Action on Climate Change

"The climate emergency has put the world in grave peril, but that is hard to tell when watching the news or looking at the overall global response to the climate crisis, which continues to be lax.

"Climate change is a complex and difficult problem to communicate. It is slow-moving, it does not always feel urgent and there is often very little gratification for acting to mitigate it.

"For decades, the assumption has been members of the public, politicians and policy makers would take the matter more seriously if only there was more information about the impacts and consequences of a warming planet.

"We need to rethink the way we communicate climate change. The best tool at our disposal is a simple one: storytelling. Stories have the power to transform complex subject matters into something which feels personal, local, relatable and solvable.

"But stories about the climate crisis – for example, about how people are responding in real time and making a difference – are still few and far between.

"That needs to change.

"The role of emotions

"Improving science communication

"Ecological crisis stories

"Effective communication

More: <https://theconversation.com/powerful-local-stories-can-inspire-us-to-take-action-on-climate-change-168177>

Source: *SnippETS*, 7th October 2021

Editor: Within NZ and elsewhere it is obvious (from COVID) how difficult it can be to obtain engagement. 

California Outlaws Future Sales of Small Petrol-powered Equipment

"Gas lawn mowers are loud, dirty and pollute the air. That's why a new California law will soon ban the sale of gas lawn care and landscaping equipment [produced after 1st Jan 2024]

"California is fed up with gas-powered landscaping tools, or at least the state government is. Earlier this month [October], Gov. Gavin Newsom signed a law banning the sale of gas-powered lawn mowers and leaf blowers, as well as any other equipment using small off road engines, aka SOREs. These engines [under 25hp] traditionally power equipment used in lawn care and landscaping.

"Small engine-based tools are a surprisingly large source of carbon emissions and air pollution. According to the California Air Resources Board, just one hour of gas leaf blower use  is the equivalent of driving 1,100 miles. Running a gas lawn mower for the same period equates to a 300-mile drive.

"So what does this rule change mean for you and your landscaping? We'll explain exactly what the new law does, when it comes into effect and what to do when it happens.

More: www.cnet.com/home/yard-and-outdoors/california-outlaws-future-sales-of-gas-leaf-blowers-and-lawn-mowers-what-to-know-about-the-new-rule/ plus <https://electrek.co/2021/10/11/california-bans-gas-powered-lawn-equipment-and-other-small-off-road-engines/> and www.forconstructionpros.com/equipment/fleet-maintenance/gasoline-engines/article/21772263/california-signs-law-banning-sale-of-new-gaspowered-small-engines-by-2024

Source: CNET, 24th October 2021. 

Advertising's Influence

"When it comes to effective action on climate change, many of us may not immediately think about the impact advertising and PR firms have. Our next few articles look at the issue of advertising's influence on the climate crisis, from a few different angles. Firstly, we look at how consumer and employee activities are driving positive change in some advertising firms which traditionally have helped promote oil and gas companies. Next, we look at how these firms have been flying below the radar, able to influence consumer behaviour into 'over-consumption' – which is having a catastrophic impact on the environment. Then, we see how Google pulling ad revenue from content that denies anthropogenic climate change, making it less profitable to the creators of such content.

More: www.carbonees.com/single-post/snippets-for-21-october-2021 bonees.com/single-post/snippets-for-21-october-2021

Source: *SnippETS*, 21st October 2021. 

User Testing: Toolkit for Sustainable Procurement

"Along with our partners we've created a prototype toolkit which makes it fast, easy and affordable (if not free) for businesses to learn about sustainable procurement and take action. We're doing this work as part of the Govtech Innovation programme. Now we need your help to test what we have created before we present it at Parliament in November! Join one of our online user testing sessions and help shape the final product.

When/Where: 11am – Noon 29th Oct [Follows Wed 27th]

More: <https://sustainable.org.nz/sustainable-business-events/user-testing-toolkit-for-sustainable-procurement-friday/>

Source: SBN, 20th October 2021. 

'Landmark Decision' Gives Legal Teeth to Protect Environmental Defenders

"A 46-strong group of countries across the wider European region has agreed to establish a new legally binding mechanism which would protect environmental defenders, the UN Economic Commission for Europe (UNECE) said on Friday [22nd October 2021].

"I remain deeply concerned by the targeting of environmental activists', said Secretary-General Antonio Guterres, welcoming the rapid response mechanism as 'an important contribution to help advance my Call to Action for Human Rights'.

"The agreement will delegate setting up the new mechanism to the United Nations, or another international body.

"As the first ever internationally-agreed tool to safeguard environmental defenders, it marks an important step in upholding the universal right to a clean, healthy and sustainable environment – as recognised by the Human Rights Council earlier this month. ...

More: <https://news.un.org/en/story/2021/10/1103792>

Source: *Carbon News*, 26th October 2021. 

Live from COP26 with Rod Oram

"Join Rod Oram live from Glasgow as he reports on progress at the UN Climate Change Conference and brings a New Zealand perspective. Rod Oram is the only NZ journalist attending the conference in person. He will be joining us live just before the start of negotiations and just before they close.

When/Where: 6.30pm – 7.30pm Thurs. 28th Oct; Preview and 7.30pm – 8.30pm, Thurs. 11th Nov; Round Up

More: <https://sustainable.org.nz/sustainable-business-events/live-from-cop26-with-rod-oram-preview/>

Source: SBN, 20th October 2021. 