

# Sustainability Matters

10<sup>th</sup> Nov 2016

A fortnightly selection of topical **news and views** about economic, social and environmental issues.  
Designed especially for accountants and those who use the services of accountants.

## Sustainability Matters is;

- Compiled and published by Ray Skinner of *Sustainability Matters*, providers of specialist services relating to sustainability and business support. **Business achieving a tomorrow for tomorrow's children.**

## To Deal with Climate Change We Need a New Financial System

"When it comes to global warming, we know that the real problem is not just fossil fuels – it is the logic of endless growth that is built into our economic system. If we don't keep the global economy growing by at least 3% per year, it plunges into crisis. That means we have to double the size of the economy every 20 years, just to stay afloat. It doesn't take much to realise that this imperative for exponential growth makes little sense given the limits of our finite planet.

"Rapid climate change is the most obvious symptom of this contradiction, but we're also seeing it in the form of deforestation, desertification and mass extinction, with species dying at an alarming rate as our consumption of the natural world causes their habitats to collapse. It was unthinkable to say this even 10 years ago, but today, as we become increasingly aware of these crises, it seems all too clear: our economic system is incompatible with life on this planet.

"The question is what to do about it. How can we redesign the global economy to bring it in line with the principles of ecology? The most obvious answer is to stop using GDP to measure economic progress and replace it with a more thoughtful measure – one that accounts for the ecological and social impact of economic activity. Prominent economists like Nobel Prize winner Joseph Stiglitz have been calling for such changes for years and it's time we listened.

"But replacing GDP is only a first step.....

**More:** [www.theguardian.com/global-development-professionals-network/2016/nov/05/how-a-new-money-system-could-help-stop-climate-change](http://www.theguardian.com/global-development-professionals-network/2016/nov/05/how-a-new-money-system-could-help-stop-climate-change)

**Source:** Malcolm Rands, Facebook share 6<sup>th</sup> November 2016.

**Editor:** Although the idea is not new the article reinforces the need for real, deliberate, decisive and swift action. Perhaps NZ's economists, bankers and financial whizz kids could lead the way. We've done so before and the world has taken notice. ❖

## Fostering Sustainable Behaviour

Doug McKenzie-Mohr – introductory and advanced community-based social marketing workshops March of 2017.

Of particular interest to agencies working in a wide range of community engagement activities. Community-based social marketing is a unique approach to fostering behavioural changes and is being utilised globally.

**When/Where:** 13-16<sup>th</sup> March 2017, Christchurch

**Early Bird:** Expires 13<sup>th</sup> November?

**More:** <https://register.cbsm.com/workshops/christchurch-2017>

**Source:** Tieke: *ECO Alerts & Events*, 9<sup>th</sup> November 2016. ❖

## SUSTAINABILITY GROUP EVENTS

Next event – Date of webcast yet to be 'sorted'.



Announcements in 'due course'. ❖

## Environmental Advisor – Silver Fern Farms – Closes Monday 14<sup>th</sup> November

Christchurch Location

Permanent Full-Time

Frequently working at multiple sites

"To support the aspirations of Silver Fern Farms vision we are in the process of strengthening our specialist Group Environmental team. We are seeking the skills and experience of a further Environmental Advisor. Reporting to the Group Environmental Manager the successful applicant will have the opportunity to be working on a variety of environmental projects, but primarily supporting and delivering on advancing the environmental objective of Silver Fern Farms across our operations.

"Educated to degree level with a recognised environmental qualification, you will ideally have had experience in the environmental support field.

"If you are enthusiastic about this role and interested in working in a team dedicated to helping Silver Fern Farms 'do-the-right-thing' then we want to hear from you.

**Applications Close:** Mon. 14<sup>th</sup> Nov. 2016 at close of business

**More:** [www.careers.silverfernfarms.com](http://www.careers.silverfernfarms.com) for further details, a position description and to apply

**Source:** Piret Klade, Silver Fern Farms, 27<sup>th</sup> Oct 2016. ❖

## Business and Human Rights: Evolution and Acceptance – CGMA\* guidance for Assessing and Protecting Human Rights

"The operating environment for business has changed irreversibly in recent years. Change is still underway – additional issues that pose very serious threats to business include forced labour, child labour, dangerous working environments, land clearance, environmental degradation, harassment and the misuse of data.

"Due to the confidence and trust placed in them and the professional codes they follow, management accountants are responsible for identifying risks and safeguarding their organisations to create value.

"This guide, written in partnership with the Global Compact Network UK, sets out the context for the importance of human rights issues to business. It also identifies the human rights-related areas that management accountants should consider in relation to their organisations. This will help to inform short-term key actions and processes and to support long-term corporate objectives and overall reputation.

\*\* CGMA is an abbreviation for 'Chartered Global Management Accountant' comprising a joint venture between CIMA (UK) and AICPA (USA) – 641,000 members.

**More:** [www.cgma.org/Resources/Reports/Pages/business-and-human-rights.aspx](http://www.cgma.org/Resources/Reports/Pages/business-and-human-rights.aspx) 24 pages, 2.89Mb, May 2016

**Source:** Karen McWilliams, CA ANZ, 3<sup>rd</sup> Nov 2016. ❖

## ***Birds of the West Wind – How Australia has Shaped New Zealand's Avian Life***

"The origin of New Zealand birds is a story whose evolution in the last 30 years especially has upset many apple carts – from the idea that the supposedly flightless moa evolved from a small South American bird and flew to New Zealand, to the seemingly preposterous story that the kiwi is more closely related to the Madagascan elephant bird than the moa. What then of our other iconic New Zealand birds? Garry has dug up what professionals are re-discovering with the help of tools of modern science. A major theme is the influence of Australian avifauna on New Zealand's bird life.

"In Part 1 he tells of his layman's latter-day interest in birds with enthusiasm, originality and charm. He also traces how the origin stories of birds have to do with the origin of the islands and continents on which they are found. Part 2 contains the specific origin stories of 80 mainly New Zealand land and shore birds, and also traces their possible connection to Australian birds. Garry likes to think he has written a book which will appeal to the 'non-birdy common man'. The book will also be of interest to the enthusiastic and knowledgeable birder. *Birds of the West Wind* was edited by Geoff Walker and designed by Pieta Brenton. It is Garry's first book.

**More:** [www.gjbooksnz.com](http://www.gjbooksnz.com) [Coming]. Published November 2016

**Source:** Garry Sheeran, 10<sup>th</sup> October 2016.

**Editor:** Garry is a retired well known business journalist and one of my brothers-in-law. ❖

## **Duty of Board of Directors – Sustainable Development Task Force of the American Bar Assoc.**

"... Various stakeholder groups who wish to encourage sustainability are mounting calls for corporations to take into account sustainable development while still adhering to their legal duties to shareholders. This is putting front and centre the question of fiduciary duty: what is it and to whom is it owed. In the United States, for directors and the lawyers who advise them, fiduciary duty means putting the interests of shareholders and the corporation first. How a board defines and balances the often-competing interests among various shareholders and the corporation itself is a core part of the fiduciary duty discussion.

"It is clear that US directors must address matters that impact the long-term value of a company. In an increasingly connected and globalised economy, companies are vulnerable to and threatened by diminution of value based on both an increasingly resource-constrained world and a company's impacts on stakeholders. Indeed, the extent to which directors must take action to understand and address these vulnerabilities is central to the discussion on how directors fulfil their fiduciary duty to protect shareholder and corporate value. The September 2015 adoption of the United Nations' Sustainable Development Goals in the document *Transforming our world: the 2030 Agenda for Sustainable Development* further heightens the importance of attention on this key issue.

"Careful legal analyses of fiduciary duty and to whom that duty is owed have been prepared by law firms all over the world and are posted on this website. We hope that these memoranda below will inform and enrich discussion among directors, and the lawyers who counsel them, about how changing circumstances near and far affect their ability to meet fiduciary duty requirements. ...

[List provided including a response regarding NZ.]

**More:**

[www.americanbar.org/groups/leadership/office\\_of\\_the\\_president/sustainable\\_development\\_task\\_force.html](http://www.americanbar.org/groups/leadership/office_of_the_president/sustainable_development_task_force.html)

**Source:** Eco-Business.com, 19<sup>th</sup> October 2016. ❖

## **Let's Fix Wasteful Design!**

"Frustrated by unsustainable products? You've come to the right place.

"The People's Design Lab was created for European communities to take part in the redesign of products you can't fix, products that come with excess packaging or break too easily.

"HOW IT WORKS. It's quick and easy: Nominate a product that you'd like to see redesigned and upload a description of the problem with a picture to the platform. Then the voting will begin. Products with the most votes will be redesigned. Redesign workshops will be taking place across Europe and online. Note: You can also nominate good designs which we should celebrate!

"We'll take the redesigned products to manufacturers and policy makers to showcase solutions to wasteful design.

"Nominate products whose bad design creates waste: wasting our money, the resources that have gone into making them, breaking too early, difficult to fix, filling up our landfills and feeding our incinerators! Invite your friends and family and campaign for the product(s) you picked! You can also nominate products which are well designed and should serve as role models.

**More:** [www.peoplesdesignlab.org/](http://www.peoplesdesignlab.org/)

**Source:** *The Good Stuff*, 16<sup>th</sup> October 2016. ❖

## **Environmental Data Visualisations**

Jordan Wildish has recently compiled and published some environmental data projects he has been working on online, and thought it may be of interest. He would love any feedback or suggestions for future topics of study!

**More:** <https://environmentaldatavisuals.wordpress.com/>

**Source:** Jordan Wildish, LinkedIn Environmental Consulting Professionals, 11<sup>th</sup> October 2016

**Editor:** Click on each of the visualisations to see commentary and in one of them how NZ fares; worse than USA and Fiji. ❖

## **The Rising Environmental Toll of China's Offshore Island Grab**

"To stake its claim in the strategic South China Sea, China is building airstrips, ports, and other facilities on disputed islands and reefs. Scientists say the activities are destroying key coral reef ecosystems and will heighten the risks of a fisheries collapse in the region. [Long interesting article.]

**More:**

[http://e360.yale.edu/feature/rising\\_environmental\\_toll\\_china\\_artificial\\_islands\\_south\\_china\\_sea/3042/](http://e360.yale.edu/feature/rising_environmental_toll_china_artificial_islands_south_china_sea/3042/)

**Source:** *Yale Environment 360*, 14<sup>th</sup> October 2016. ❖

## **Extinction: A Radical History**

"This short book is a brilliant and powerful argument which locates the 'Sixth Extinction' in capitalism, and its solution in anti-capitalism. This is an important argument, and one noticeably lacking in most commentaries on the bio-diversity crisis. Elizabeth Kolbert's otherwise excellent and popular book documents the scale of the crisis, but fails to argue that the problem is the system we live under. Ashley Dawson, on the other hand, documents the role that humans have played historically in causing extinction, but argues the emergence of capitalism has made this far, far worse.

**More:** <http://resolutereader.blogspot.co.nz/2016/05/ashley-dawson-extinction-radical-history.html> plus <https://ashleydawson.info/> and <http://freepages.misc.rootsweb.com/~kitwithers/books/2016dawson.html>

**Source:** Kit Withers, 12<sup>th</sup> October 2016 → Some great material for some Green speeches in this book. ❖

## Sixteen Years of Change in the Global Human Footprint

"The web maps below allow you to compare the human footprint in 1993 and in 2009 and see what's changed.

"The human footprint map measures the cumulative impact of direct pressures on nature from human activities. It includes eight inputs:

1. The extent of built environments,
2. Crop land,
3. Pasture land,
4. Human population density,
5. Night-time lights,
6. Railways,
7. Roads, and
8. Navigable waterways. ....

**More:** <http://wcshumanfootprint.org/> and <https://newsroom.wcs.org/News-Releases/articleType/ArticleView/articleId/9218/Global-Analysis-Says-Human-Impact-on-Environment-has-Slowed.aspx>

**Source:** *Tieke: ECO Alerts & Events*, 19<sup>th</sup> October 2016. ❖

## Engagement: Unlocking the Black Box of Value Creation

"Engagement is one of the fastest growing responsible investment strategies globally, yet surprisingly little is known about engagement practices, processes and successes. To address this research gap, Sustainalytics and Cass Business School have published [June 2016] a new report titled, *Engagement: Unlocking the Black Box of Value Creation*.

"... The study presents a new typology of investor engagement, and provides insights into the interaction between ESG integration and engagement as well as the multiple values associated with engagement....

"To better understand various ESG engagement approaches, the partners conducted 36 in-depth interviews with institutional investor representatives across France, the Netherlands and the United Kingdom. The findings reveal that managing the environmental and social impacts of engagement requires more attention. While progress is being made, there is the need for greater consistency in the scope, content and quality of investors' ESG engagement disclosures in the three countries....

**More:** [www.sustainalytics.com/responsible-engagement-report-reveals-managing-environmental-and-social-impacts-engagement-requires](http://www.sustainalytics.com/responsible-engagement-report-reveals-managing-environmental-and-social-impacts-engagement-requires) 49 pages, 2.36Mb

**Source:** *CSEAR Newsletter*, page 12, 29<sup>th</sup> Sept. 2016. ❖

## Before the Flood - Full Movie

"Join Leonardo DiCaprio as he explores the topic of climate change, and discovers what must be done today to prevent catastrophic disruption of life on our planet. ...

"Before the Flood, directed by Fisher Stevens, captures a three-year personal journey alongside Academy Award-winning actor and U.N. Messenger of Peace Leonardo DiCaprio as he interviews individuals from every facet of society in both developing and developed nations who provide unique, impassioned and pragmatic views on what must be done today and in the future to prevent catastrophic disruption of life on our planet.

**More:** <https://youtu.be/90CkXVF-Q8M> 1hr 35min 12,921,166 views at 9<sup>th</sup> Nov, plus [www.commonssensemedia.org/movie-reviews/before-the-flood](http://www.commonssensemedia.org/movie-reviews/before-the-flood) and [www.nytimes.com/2016/10/21/movies/before-the-flood-review-leonardo-dicaprio.html](http://www.nytimes.com/2016/10/21/movies/before-the-flood-review-leonardo-dicaprio.html). Also, *NZ Herald*, 7<sup>th</sup> Nov, page A17 at [www.nzherald.co.nz/opinion/news/article.cfm?c\\_id=466&objectid=11743323](http://www.nzherald.co.nz/opinion/news/article.cfm?c_id=466&objectid=11743323)

**Source:** Yoshimi Yoshida, LinkedIn Sustainable Business Leaders in NZ, 5<sup>th</sup> Nov 2016, plus Editor. ❖

## Super Fund Shake-up to Address Climate Change

"The New Zealand Superannuation Fund is to shake-up the way it invests through adopting a new climate change strategy.

"The strategy will see the \$30 billion fund sell out of some highly exposed investments and work with other companies to help prepare them for the risks that could come with climate change.

"It will also invest in alternative energy companies. The fund which was set up in 2003 to help pay for the future rising costs of New Zealand Superannuation caused by an aging population, said the changes would not lower returns to the fund

"Chief executive Adrian Orr said climate change was a material investment issue with risks for long-horizon investors.

"In coming years the global energy system will transition away from fossil fuels. Some assets we invest in today may become uneconomic, made obsolete or face a dwindling market.".....

"We will continue to manage climate risks by being an active owner, including prioritising climate change engagements, developing our voting policy and directing our investment managers to vote according to our instructions on climate change resolutions," said Orr. ...

**More:**

[www.nzherald.co.nz/business/news/article.cfm?c\\_id=3&objectid=11731725](http://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=11731725)

**Source:** *NZ Herald*, page B1/3 20 October 2016

**Editor:** This seems to be a substantial change to the Fund's position of even a few months ago. Also see <http://act.350.org/sign/fossil-free-nz-superfund/> which suggests further engagement with the fund is merited to obtain deeper change. 350.org 20<sup>th</sup> October 2016. ❖

## World Bank Tribunal Dismisses Mining Firm's \$250m Claim Against El Salvador

"An international tribunal has dismissed a multinational mining company's demand that the government of El Salvador pay \$250m (£205m) in compensation for refusing to allow it to dig for gold in the tiny Central American country where the slogan, 'No to mining, yes to life' has become a national rallying cry.

"The tribunal, which ruled that OceanaGold's case was without merit, also ordered the firm to pay the Salvadoran government \$8m to cover the majority of the country's legal costs....

"The verdict marks the culmination of more than seven years of deliberations, largely behind closed doors, at the World Bank's International Centre for Settlement of Investment Disputes (ICSID). ....

"The ICSID case against El Salvador is one of hundreds that corporations have filed against governments under the investor-state dispute settlement (ISDS) system, a mechanism enshrined in thousands of international trade and investment treaties and some domestic laws. The system has become a flashpoint for opposition to the proposed Transatlantic Trade and Investment Partnership between the US and Europe, which would further extend the reach of ISDS....

"Manuel Pérez-Rocha, an associate fellow of the Institute for Policy Studies in Washington, said: 'The fact that it took more than seven years to release the ruling, and that a country with so many economic difficulties like El Salvador has had to pay millions for its defence, is immoral and shows the complete discretion with which these tribunals sponsored by the World Bank, and its infamous ICSID arm, operate.'...

**More:** [www.theguardian.com/global-development/2016/oct/14/el-salvador-world-bank-tribunal-dismisses-oceana-gold-mining-firm-250m-claim](http://www.theguardian.com/global-development/2016/oct/14/el-salvador-world-bank-tribunal-dismisses-oceana-gold-mining-firm-250m-claim)

**Source:** SumOfUs, 5<sup>th</sup> November 2016.

**Editor:** Think TPPA and more. OceanaGold operates in NZ. ❖

## Who's Banking on the Dakota Access Pipeline?

"The Standing Rock Sioux are inspiring the world with their resistance against the pipeline. But it's not just Big Oil and Gas that they're opposing. .... Powerful oil and gas companies are taking appalling steps to override the Sioux's objections, using their immense financial resources to push for building this pipeline, which will further line their pockets. But behind the companies building the pipeline is a set of even more powerful Wall Street corporations that might give you flashbacks to the 2007 financial crisis.

"Here are the financial institutions banking on the Dakota Access pipeline: [A 'mind-blowing' graphic plus a map]

"Seventeen financial institutions have loaned Dakota Access LLC \$2.5 billion to construct the pipeline. Banks have also committed substantial resources to the Energy Transfer Family of companies so it can build out more oil and gas infrastructure: .... All told, that's \$10.25 billion in loans and credit facilities from 38 banks directly supporting the companies building the pipeline. ....

"By locking in widespread drilling and fracking in the false name of U.S. energy independence and security, the banks are increasing our disastrous dependence on fossil fuels. ....

"Overall, the Bakken Crude Pipeline will cost about \$4.8 billion, ...

**More:** [www.foodandwaterwatch.org/news/who%27s-banking-dakota-access-pipeline](http://www.foodandwaterwatch.org/news/who%27s-banking-dakota-access-pipeline) plus <https://actions.sumofus.org/a/banks-need-to-divest-from-the-dakota-access-pipeline-now/> and [www.actionstation.org.nz/nodapl?utm\\_campaign=roundup041116](http://www.actionstation.org.nz/nodapl?utm_campaign=roundup041116)

**Source:** SumOfUs 4<sup>th</sup> November, plus Action Stations 4<sup>th</sup> Nov about Citibank which operates in NZ

**Editor:** Citibank's actions are contrary to their own documents such as those at [www.citigroup.com/citi/environment/](http://www.citigroup.com/citi/environment/) and [www.citigroup.com/citi/news/2015/150218a.htm](http://www.citigroup.com/citi/news/2015/150218a.htm). ❖

## Climate Change Comments 'Absurd'

"A suggestion local and regional councils should deal with the fall-out from climate change, rather than the Government, has been labelled 'absurd' by Dunedin Mayor Dave Cull.

"Mr Cull was responding to an RNZ story in which Parliamentary Commissioner for the Environment Dr Jan Wright said climate change was creating 'a slowly unfolding red zone'.

"She suggested an EQC-style agency needed to be set up to deal with the effects of climate change on homeowners.

"But Environment Minister Nick Smith said such compensation would encourage poor decision-making by home buyers.

"He told RNZ such a system could make people take on high-risk homes in areas where they could be affected by climate change, because they would know the Government would bail them out, insure or compensate them.

"Dr Smith said local and regional government would be mostly responsible for climate-change issues. ....

"The Government had been 'woefully dragging its feet' at every level on climate change. This is an issue we all have to face up to.' ....

"It's an issue of national significance for our economic and social wellbeing, and any government with an eye on the longer-term picture would be taking this more seriously."

**More:** [www.nzherald.co.nz/the-country/news/article.cfm?c\\_id=16&objectid=11743073](http://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=11743073)

**Source:** Editor, 7<sup>th</sup> November 2016. ❖

## 8 Things you Need to Know About the PCE's New Report on Agricultural Greenhouse Gases

"Today [19<sup>th</sup> October] Parliamentary Commissioner for the Environment Jan Wright launched her latest report, *Climate change and agriculture: Understanding the biological greenhouse gases*. The report aims to provide a fresh starting point for this important debate, which has up until now either been ignored or veered into unproductive mud-slinging. It's a fairly hefty tome, at 84 pages, but as always Commissioner Wright and her team have put a lot of effort into making it readable. Here are our eight takeaways.

1. Farmers deserve credit
2. There are no silver bullets on the horizon
3. We need to diversify
4. There *are* things we can do now
5. There are win-wins to be had
6. More trees, please
7. Methane is different, but we can't ignore it
8. Change is inevitable and the time to act is now

"So it's time for policymakers to get moving. In particular, we need to get the economic signals for future land-use change right, by pricing in externalities rather than continuing to ignore them. In Dr Wright's words, 'Making a smooth transition to producing lower emission food is very important. Continuing delay just makes an abrupt transition more likely.' To back that up we need to be investing some of our science budget in thinking what else we could do with our land if synthetic milk and meat catch on. Otherwise we face the risk of painful transition after being caught with all our eggs in one basket as we did in the 1960s.

**More:** <http://morganfoundation.org.nz/8-things-need-know-pces-new-report-agricultural-greenhouse-gases>

**Source:** Malcolm Rands, Mike Finlayson, Alison Dalziel, Facebook 19<sup>th</sup> October 2016. ❖

## 'Women Must Lead – If Humanity Is to Survive': New Book Warns

"Women must become leaders in government, business, religion and social institutions around the world – if humanity is to have a chance of surviving the growing threats it faces.

"Female leadership is one of the essential solutions to the ten huge existential risks which now overshadow civilisation, according to a powerful new book *Surviving the 21st Century...*

"As a rule, women don't start nuclear wars, dig coal, destroy landscapes and forests, pollute air and oceans or poison their children,' says author Julian Cribb. 'They tend to think more about the longer term than do men, and about the future needs of their children and grandchildren. They tend to seek peaceful and constructive solutions to problems rather than fighting over differences in values and beliefs, or resources.'

"Pragmatic male thinking has largely driven humanity's remarkable ascent, our great technological successes. But in a hot, overcrowded, resource-depleted world it is also our potential downfall, due to the vast risks that modern civilisation is now accruing.'

**More:** [www.ecovoice.com.au/women-must-lead-if-humanity-is-to-survive-new-book-warns/](http://www.ecovoice.com.au/women-must-lead-if-humanity-is-to-survive-new-book-warns/) plus [www.springer.com/gp/book/9783319412696](http://www.springer.com/gp/book/9783319412696)

**Source:** *Eco-Voice*, 3<sup>rd</sup> November 2016. ❖

Contributions and feedback are welcomed.

Send your news items, handy hints, case studies, suggestions, comments and questions to Ray Skinner of *Sustainability Matters*.  
eMail: [ray@sustainabilitymatters.co.nz](mailto:ray@sustainabilitymatters.co.nz) Phone: +64 (09) 443 0773 Web: [www.sustainabilitymatters.co.nz](http://www.sustainabilitymatters.co.nz)