

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children



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The Chartered Accountants Worldwide Sustainability Roadmap

“Welcome to the Chartered Accountant’s Sustainability Roadmap from Chartered Accountants Worldwide.

“The role of Chartered Accountants is changing as the need to do business sustainably becomes more central to how companies and consumers operate. The purpose of this roadmap is to provide signposts to Chartered Accountants to understanding sustainability and its impact on their work.

“This guide has been prepared for Chartered Accountants working in the private sector, but it can equally be applied to those working in the public and not-for-profit sectors.

“Contents;

1. Getting started – Building your knowledge
2. Mapping and engaging stakeholders
3. Conducting a materiality assessment
4. Identifying and rating risk exposure
5. Identifying and rating opportunities
6. Setting sustainability goals
7. Developing a strategy, policies and an implementation plan
8. Establishing targets
9. Reviewing data processes and controls
10. Embedding a sustainability mindset throughout operations
11. Measuring and monitoring
12. Reporting on progress
13. Assurance.

More:

<https://charteredaccountantsworldwide.com/sustainability-hub/#Getting-started> 20 pages, 406Kb

Source: Debbie Kandau CAANZ, Weekly Digest for Climate & Sustainability, 27th January 2023.

Editor: The Roadmap consists of bullet points of topics to consider. Although at first read it may seem daunting it is not necessary to consider all topics at the ‘get go’, rather just get started somewhere – anywhere! Within that the first topic is a good place to get the thought juices flowing. And it’s not solely for CA’s!

Sustainability for 'Finance Hat Wearers'

“It is critical to equip ‘finance hat wearers’ with the knowledge and confidence to drive sustainability action forward in their organisations.

“As a subgroup of Deloitte and the Sustainable Business Council’s CFO Climate & Sustainability Programme, Business New Zealand and Deloitte Private are piloting the Sustainability for ‘finance hat wearers’ course for Auckland-based SMEs, a 4-part course of 1.5 hour lunchtime sessions.

When/Where Weekly 13th Feb. to 6th March. 2023. Smales Farm, Auckland

More: eMail lames@businessnz.org.nz

Source: *SBC Weekly Pānui*, 19th January 2023. [No web reference]

What is ‘Greenhushing’ and Why Is It a Risk for Sustainability Professionals?

“Data from RepRisk shows one in every five cases of corporate risk incidents linked to environmental, social and governance (ESG) issues stems from greenwashing. It is an issue which every sustainability practitioner has had to grapple with and, as frameworks like the Competition and Markets Authority’s (CMA) Green Claims Code emerge, the number of corporates called out for false green claims may well grow.

“To avoid greenwashing accusations, some brands and businesses may feel compelled not to communicate as much about their environmental plans, instead sitting quietly on the information they have – or don’t have – and going about progressing towards targets in silence. This practice is known as ‘greenhushing’.

“Greenhushing gained traction when it was first covered consultancy Treehugger back in 2020, which at the time claimed greenhushing would happen because businesses were hesitant to share progress on sustainability initiatives.

“Reasons for doing so will vary; businesses may wish to avoid boycotts, increased staff turnover and reputational risk. But, as sustainability becomes more mainstream, the reasons behind greenhushing are changing. New research suggests greenhushing can now be linked to businesses which are trying to falsely appear more sustainable, but are unable or unwilling to share the data and proof to fully back these claims.

“While there are two sides to this greenhushing coin, the risks corporates face for partaking in the activity – consciously or otherwise – remain consistent. ... [Long article.]

More: www.edie.net/what-is-greenhushing-and-why-is-it-a-risk-for-sustainability-professionals

Source: edie, 27th January 2023.

Brief: Inclusive Insurance for Climate-Related Disasters

“Insurance needs to work for everyone, but worsening climate disasters are further exposing a glaring – and growing – coverage gap. This report offers a framework for expanding the financial protection of insurance against climate disasters to those whose needs are not currently met, and recommendations for how insurance for climate-related disasters can be made more inclusive in the U.S. The report summarises a larger analysis commissioned by Ceres, *Inclusive Insurance for Climate-Related Disasters: A Roadmap for the United States*.

This brief examines the role of insurance in recovery from climate disaster across socioeconomic groups in the U.S. It provides actionable guidance for federal, state, and local leaders, as well as insurers, to expand the financial protection of insurance those whose needs are not currently met by the market and make disaster insurance more affordable, accessible, transparent, people-centred, and just.

More: www.ceres.org/resources/reports/inclusive-insurance-roadmap 15pages 1.08Mb

Source: Ceres, 25th January 2023

Editor: The report could have useful insights for NZ and elsewhere.

Aotearoa SDG Summit 2023

“Over two action-packed days, this event will unpack some of the key issues affecting the wellbeing of the Waikato Region right now, with the goal of consolidating efforts and spurring further action to tackle climate change, promote community cohesion and prepare individuals, organisations and businesses to create fairer futures.

“The 17 UN Sustainable Development Goals (SDGs) will provide the backbone of this unique event, reminding us of the many threads which create strong, fair, sustainable communities and businesses.

When/Where 9th – 10th February. Hamilton and online

More: <https://forumpoint2.eventsair.com/sdg-summit/>

Source: *SBC Weekly Pānui*, 26th January 2023. 

Sustainable Procurement Activator

“New Zealand businesses can reduce their environmental impact through changes in procurement – what they buy, who from and how.

“Businesses know they have huge influence. They can set high standards for things like climate, waste and water in their procurement policies. But it can be tough to find the right suppliers and know what to ask them. It’s also challenging to know how to monitor changes, measure success and get leadership buy-in. Making this the norm means changing the system for everybody.

“Our Activator Course is a great place to start. It’s designed for bigger businesses with long supply chains. We’ve worked with 37 of this country’s largest procurers to create the content. Together we’ve defined best practice for sustainable procurement and its implementation in Aotearoa New Zealand.

When/Where 2nd to 30th March 2023. Online

More: <https://sustainable.org.nz/learn/training/sustainable-procurement/>

Source: SBN, 26th January 2023. 

Single-use Coffee Pods: Surprising Benefits

“While convenient and popular, single-use coffee pods are viewed by many as an environmental nightmare. But despite the piles of discarded capsules this brewing method leaves behind, it might not be as terrible for the planet as you think.

“In some cases, brewing a cup of joe in an old-school filter coffee maker can generate roughly 1.5 times more emissions than using a pod machine, according to an analysis by researchers at the University of Quebec at!


“The study adds to a growing body of research which shows assuming packaging does the most harm to the environment is often misguided. Instead, experts say, it’s important to look at a product’s entire life span – from the time it’s made to when it hits the landfill – to figure out which changes might have the biggest effect on improving sustainability. In the case of brewing coffee at home, this latest study shows it largely boils down to not wasting water or coffee.

“As a consumer, what we’re left with is the visible waste in front of us, which often tends to be packages and plastics”, said who was not involved in the new analysis. ‘But the impact of packaging, in general, is much, much smaller than the product itself.’

“Here are four takeaways from research which can help you lower the carbon

“It really comes down to being mindful about the products you consume and trying not to waste our products’, she added.

More: www.smh.com.au/environment/sustainability/single-use-coffee-pods-have-surprising-environmental-benefits-over-other-brewing-methods-20230119-p5cdol.html

Source: *Sydney Morning Herald*, 19th January 2023. 

Unpacking the UNEA Resolution to End Plastic Pollution


“In this essay, GCSE Senior Fellows Mary Ellen Ternes, Esq. and Jeffrey Seay, Ph.D. unpack UNEA Resolution 5/14 entitled ‘End plastic pollution: Towards an international legally binding instrument’. The authors summarise key challenges with plastic, such as its often toxic nature and its disparate effects on developing nations. The essay also reviews results from the first Intergovernmental Negotiating Committee session, GCSE’s involvement with it and GCSE’s contributions to critical scientific consensus on plastic through its third annual plastic symposium in May 2023.

More: www.gcseglobal.org/gcse-essays/unpacking-unea-resolution-end-plastic-pollution

Source: GCSE, 27th January 2023

Extracts: “More than 10,000 additives are used to manufacture plastic products; over 2,400 of which are characterised by the European Union as persistent, bioaccumulative or toxic. With the many types of polymers combined with this variety of additives, we easily exceed 90,000 polymer and additive combinations in our post-use plastic mix. This variability renders recycling and energy recovery through pyrolysis or controlled combustion problematic, even in developed nations.


“Developing nations, which carry more of the burden of plastic pollution and less of the benefit, are sensitive to approaches which could perpetuate plastic pollution. Polymer producing nations are sensitive to approaches which could limit future plastic production.

“In addition to the issue of legally binding enforceability, disagreements have also emerged in overall approach, with some parties prioritising reducing production through design and product limitations, while others prioritise a waste-focused recycling and combustion approach. Given the high volume and toxicity of additives in the post-use plastic universe, scientists are now expressing doubt about the safety of recycling, especially in less developed nations. While ‘reduce, reuse and recycle’ is considered the foundation of a circular economy, stakeholders recognise the need to close the loop but also ‘make the circle smaller’, given the cumulative additive toxicities resulting from recycling current post-use plastic. 

Housing for Elderly on University Campuses

“As housing for senior citizens moves onto college campuses, two generations separated by 50 years are connecting in profound ways.

More: <https://reasonstobecheerful.world/college-campus-retirement-communities-asu/>


Source: reasons to be cheerful, 1st February 2023. 

Explainer Series: Hydrogen 101

“In light of the escalating climate emergency, more renewable energy is greatly needed to replace fossil fuels. Hydrogen has often been talked about as a replacement for fossil fuels and a way to reduce greenhouse gas (GHG) emissions. As new technologies and infrastructure become available, is hydrogen an essential part of the mix to get us on the path to 1.5C warming, or will it fall short on reducing emissions?

“Hydrogen is an energy carrier, meaning it can be later converted to other forms of energy. It has a very high energy density, around 2 to 4 times higher than coal, petrol and diesel, or natural gas, on a per kilogram basis. However, the energy still needs to be converted from an original energy source. The hydrogen is then gathered, and the carbon dioxide (CO₂) from the process is captured and sequestered. The energy source is typically categorised as brown, grey, blue, and green hydrogen, as explained

More: www.toitu.co.nz/news-and-events/news/reduce/explainer-series-hydrogen-101

Source: *Toitū's Take*, 18th January 2023. 

Over 100 Millionaires Call for Wealth Taxes

"A group of over 100 millionaires and billionaires from nine countries published today an open letter to government and business leaders, calling for permanent annual wealth taxes on the very richest to help reduce extreme inequality and raise revenue for sustained, long-term increases in public services like healthcare.

"These super-rich signatories are joining a growing chorus of voices around the world calling for greater taxation of the richest in light of record COVID-19 wealth gains at the top of society – gains which have seen the ten richest men more than double their fortunes to a staggering \$1.5 trillion dollars. The world's 2,660 billionaires now have wealth around the same size as the Chinese economy.

"According to new analysis by the Fight Inequality Alliance, Institute for Policy Studies, Oxfam and the Patriotic Millionaires, a wealth tax starting at just 2% annually for millionaires and rising to 5% annually for billionaires could generate \$2.52 trillion a year. This would be enough to:

- Lift 2.3 billion people out of poverty;
- Make enough vaccines for the world and;
- Deliver universal healthcare and social protection for all the citizens of low- and lower- middle-income countries (3.6 billion people).

"The letter says while the world has gone through an immense amount of suffering in the last two years, the richest have seen their wealth rise during the pandemic and very few – if any – are paying their fair share in taxes. The group urges governments to 'tax us, the rich, and tax us now'.


"The analysis found globally:

- 3.6 million people have over \$5 million in wealth, with a combined wealth of \$75.3 trillion.
- 183,000 people own \$50 million or more, with a combined wealth of \$36.4 trillion.
- 2,660 billionaires have a total combined wealth of \$13.76 trillion.

"The group published their letter during the World Economic Forum's weeklong Davos Agenda, during which participants are expected to discuss critical global challenges and solutions

More: www.oxfam.org/en/press-releases/over-100-millionaires-call-wealth-taxes-richest-raise-revenue-could-lift-billions plus www.oxfam.org/en/press-releases/ten-richest-men-double-their-fortunes-pandemic-while-incomes-99-percent-humanity
Inequality Kills 60 pages 1.96Mb

Source: *atAdvocacy News*, 17th January 2023.

Editor: Also an ethical, moral and Code of Conduct issue all CA's and lawyers who proactively support aggressive client tax mitigation and minimisation. 

Acuity's Big Ideas Feature

"How does the food we eat impact the climate? What does the South Korean drama *Squid Game* have to do with the cultural future of Australia and New Zealand? As we look ahead to 2023, *Acuity's Big Ideas* feature explores some of the hot topics to emerge recently for professionals – to ignite debate in the workplace and help chartered accountants navigate the road ahead;

- The office of the Future
- How to do the right thing
- Why we need to account for arts
- Future of food design
- The problems of greenwashing
- Valuing our environment
- Why are we fueling inflation
- What will our cities look like.

More: www.acuitymag.com/DecJan/BigIdeas

Source: *Acuity Newsletter*, 23rd January 2023. 

Workshop Designed for Facilities Managers

"Following on their national breakfast seminar series. FMANZ in collaboration with NZGBC will present a full-day pilot workshop. During the course of this workshop, they will explore in more detail the frameworks and tools available for facilities managers to drive the continuous improvement in sustainable building operations.

"The key and main areas of focus for facilities management and sustainability are;


- Common Electricity Consumption.
- Tenancy Electricity Consumption.
- Natural Gas Consumption.
- Water Consumption.
- Waste to landfill, recycling, and food waste, cardboard, polystyrene, soft plastics, batteries.

"Facilities managers are often not collecting important data around the above 5 points.

When/Where 28th February. Auckland

More:

www.nzgbc.org.nz/Event?Action=View&Event_id=1181

Source: NZGBC, 20th January 2023. 

The Greenwashing Hydra


"Greenwashing, whereby companies make themselves appear more environmentally friendly than they really are, has become a many-headed beast.

"Planet Tracker believes greenwashing strategies are becoming increasingly sophisticated. They range from emphasising a green activity, without betraying the rest of the company's business is environmentally damaging, to hiding in a crowd and moving at the speed of the slowest adopter.

"Greenwashing is misleading but not always illegal; regulatory loopholes are sometimes used. What's surprising is it remains so prevalent despite being called out by NGOs, the media and, increasingly, regulators. Investors should remain vigilant – after all, they are being misled.

[A diagram illustrates six types of greenwashing].

More: <https://planet-tracker.org/wp-content/uploads/2023/01/Greenwashing-Hydra-3.pdf>
13pages 11.4Mb

Source: Fiona Stephenson comment LinkedIn, 17th January 2023. 

Introduction to Regenerative Economics

"The Capital Institute is offering a third edition of its online course, *Introduction to Regenerative Economics: New Ways of Seeing, Thinking, Being, and Managing for the 21st Century*, hosted by John Fullerton and featuring 25+ thought leaders from around the globe.

"The aim of this course is to reimagine economics based on a living systems framework, allowing us to participate in the redesign our economy so long term human dignity, social equity, and planetary wellness can become a reality throughout the world.

"Join the over 500 professionals, leaders, students, policymakers, and thought-leaders from over 40 countries who have already started a collective journey to reimagine our economy [includes; Paul Hawkin, John Elkington, Hunter Lovins and Janine Benyus among others.]

When/Where Begins 13th March 2023 for 8 weeks. Online

More: <https://capitalinstitute.org/course-introduction-regenerative-economics/> plus <https://capitalinstitute.org/about-us/> and <https://capitalinstitute.org/book-library/> → This merits looking at in its own right.

Source: Antony Vallyon, 23rd January 2023. 

No Miracles Needed: How Today's Technologies Can Save our Climate and Clean Our Air

"The influential academic says renewables alone can halt climate crisis, with technologies such as carbon capture expensive wastes of time.

"Combustion is the problem – when you're continuing to burn something, that's not solving the problem", says Prof Mark Jacobson.

"The Stanford University academic has a compelling pitch: the world can rapidly get 100% of its energy from renewable sources with, as the title of his new book says, 'no miracles needed'.

"Wind, water and solar can provide plentiful and cheap power, he argues, ending the carbon emissions driving the climate crisis, slashing deadly air pollution and ensuring energy security. Carbon capture and storage, biofuels, new nuclear and other technologies are expensive wastes of time, he argues.

"Bill Gates said we have to put a lot of money into miracle technologies", Jacobson says. 'But we don't – we have the technologies we need.

"Prof Michael Mann, at the University of Pennsylvania, says the book 'presents a comprehensive and detailed blueprint for the options we have right now to address the climate crisis'. Mann has said those insisting we lack the tools to decarbonise the economy today are wrong. [454 pages, published February 2023.]

More: www.theguardian.com/environment/2023/jan/23/no-miracles-needed-prof-mark-jacobson-on-how-wind-sun-and-water-can-power-the-world plus www.kirkusreviews.com/book-reviews/mark-z-jacobson/no-miracles-needed/ also www.ft.com/content/aa70a982-f0fe-4848-b823-1040e415156a and www.theguardian.com/environment/2023/jan/23/no-miracles-needed-prof-mark-jacobson-on-how-wind-sun-and-water-can-power-the-world

Source: Sir Jonathon Porritt, SBN event, 24th Jan. 2023. 

Why Accountants Should Think Like a CVO

"There aren't many jobs advertised for chief value officers. In fact, if you scour one well-known jobs website for Australia and New Zealand, you get the same message: 'Sorry, we couldn't find anything'.

"The formal positions might not exist yet but, for many organisations, the role of CVO is likely to become crucial.


"The concept of a chief value officer has emerged in recent years as a person who is able to drive sustainable value creation for their organisation. At the recent World Congress of Accountants in Mumbai, the spotlight at one panel session was on how chief financial officers and chief executive officers are best placed to be chief value officers.

"Filling that role means you need to understand the sustainability big picture, and how to examine the fine details of your business and provide practical insights to the board and stakeholders.

"Now is a fantastic time for CFOs to step up and be the CVO,

More: www.acuitymag.com/business/why-you-should-think-like-a-chief-value-office

Source: *Acuity Newsletter*, 23rd January 2023

Editor: This idea was first mooted about 10 years ago. Good to see the idea persists. 

What 5,000-year-old Skeletons Tell Us About Living with Climate Change


"What can old bones teach us about adapting to climate change? More than you'd think.

"In a new paper published in the journal PNAS last week, 25 archaeologists and anthropologists analysed thousands of years' worth of human remains from nearly every continent to learn how ancient people responded to rapid shifts in the climate. They studied the health of the people during hard times, comparing characteristics between societies to see what made a difference.

"Wherever they looked, they found some cultures adapted to drought, changing rainfall patterns, and fluctuating temperatures better than others. In general, when people lived in rigid, hierarchical societies, depended too much on agriculture, and lived in close quarters, they faced the most destruction from these challenges. In Europe, for instance, the Little Ice Age coincided with the Black Death and the Hundred Years' War. On the other hand, people who lived in more mobile societies with diverse food sources and more flexible social structures fared better, cooperating with each other to survive.

"Contrary to the story which often gets told, migration, violence, and civilisational collapse are not inevitable responses to environmental stress, said While relocation is often a solution for coping with shifts in the climate, it's not the only way, and doesn't necessarily lead to conflict and violence. 'There are many times in history where people successfully navigated climate and environmental change and they didn't migrate', Robbins Schug said.

More: <https://grist.org/health/how-ancient-societies-adapted-to-climate-change-anthropology-study/> plus www.pnas.org/doi/10.1073/pnas.2209472120 10 pages, 2.05Mb

Source: Orion, 27th January 2023. 

Carbon Offsets Avoided by 40% of Sustainability Professionals

"A new study of hundreds of senior sustainability professionals has found many still do not trust the quality and reliability of carbon offsets and credits, despite many noting they will need to use them at some point as part of net-zero targets....

"The report found 97% of businesses consider carbon management in investment decisions. It also found CSOs have much more accountability internally, with 79% reporting into the boardroom.

"With the SBTi's own Net-Zero standard stating up to 10% of companies remaining emissions can be covered by offsets there is a growing acceptance within the green economy these carbon credits and markets have a role to play.

"AiDash's report finds 43% of companies use carbon offsets for hard-to-reduce emissions, combining these credits with direct reduction measures. However, 41% of respondents claim they are not using carbon credits, citing a lack of trust in them. Key concerns were raised about inconsistent measuring, poor monitoring and an overall failure to prove that the offsets are based on additional carbon captured.

"However, those close to these markets have warned the quality of credits being generated are 'junk' which in turn could undermine corporate efforts to balance emissions through offsetting initiatives. This could derail net-zero commitments in the long-run.

More: www.edie.net/lack-of-trust-four-in-10-sustainability-professionals-avoid-using-carbon-offsets-in-decarbonisation-plans/ 7 pages 1.08Mb

Source: edie, 19th January 2023. 