

Sustainability Matters

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Business achieving a tomorrow for tomorrow's children

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IFRS Sustainability Disclosure Standards: Updated Guide for Considering Integrated Reporting Framework

"The IFRS Foundation has today [16th May] released an updated resource to help companies which wish to apply both the Integrated Reporting Framework and the IFRS Sustainability Disclosure Standards, which are complementary tools for investor-focused communications. *Transition to integrated reporting: A guide to getting started* provides a phased approach for implementing the Integrated Reporting Framework and helps preparers understand how IFRS Sustainability Disclosure Standards can be taken into account in their reporting journey.

"An integrated report is a concise communication about an organisation's strategy, governance, performance and prospects. Presenting each topic in the context of the organisation's external environment and through a multi-capital lens, an integrated report summarises how the organisation creates, preserves or erodes value in the short, medium and long term.

More: <https://integratedreporting.ifrs.org/news/updated-guide-to-help-companies-use-the-integrated-reporting-framework-while-considering-ifrs-sustainability-disclosure-standards/> 34pages 1.35Mb

Source: Debbie Kandauw, CA ANZ, Weekly Digest for Climate & Sustainability, 20th May 2024. ©

In Defence of the Not-So-Creepy Critters

"How did a Kiwi woman scared of bugs end up writing a book about them? Kim Knight talks to author and illustrator Lily Duval about *Six-legged Ghosts* and its call for greater insect appreciation.

"We landed to a text from the neighbour. Our burglar alarm had gone off, but a property check revealed nothing untoward.

"At home, the warning light for the backdoor flashed. And on the floor, near that door - a winged cockroach only slightly smaller than a mouse. I stomped. Who wouldn't?

"Duval's new book, *Six-legged Ghosts: The Insects of Aotearoa*, begins with a surprising confession.

"It's her insect research (from frozen cockroaches to sexually acrobatic damselflies to a psyllid named for a hobbit) which forms the backbone of Radio NZ's *Critter of the Week* show. Some of that makes its way into the new book, but *Six-legged Ghosts* is not so much a natural history lesson, as a challenge. Put simply, Duval wants us to better appreciate insects.

"I know statistics aren't the thing which moves people, but with insects, the numbers are quite fascinating. Only 1-3% of insect species, for example, could be classed as pests.

More: www.nzherald.co.nz/lifestyle/nz-insects-we-should-learn-to-love-cockroaches-flies-and-20000-other-local-species/22LIUD7BNBG3RG62XUD6XZHVA/ plus www.canterbury.ac.nz/about-uc/what-we-do/canterbury-university-press/canterbury-university-press-catalogue/six-legged-ghosts 296 pages, April 2024 and www.lilyduval.com/critters with beautiful illustrations from the book

Source: NZ Herald, Canvas, page 6, 31st May 2024. ©

Carbon Emissions – To Cut or Offset?

"To avoid climate breakdown, countries and companies should be planning to halve their emissions of greenhouse gases (GHGs) by 2030 and attain net zero by 2050. For a company, what does this mean?

"Net zero' means which any carbon or other GHG emissions produced are balanced – or offset – by equivalent emissions being reduced, avoided or removed elsewhere, on the company's behalf.

"The terms 'offsets' and 'credits' are sometimes used interchangeably, but 'carbon offsets' usually arise from projects which take GHGs from the atmosphere, such as by reforestation. Subject to certain requirements, the benefits can be transferred to organisations wanting to compensate for their own emissions.

"Meanwhile, 'carbon credits' are financial instruments, certified by a government or other independent body, usually recognising projects which are reducing emissions. These can be bought or sold as units (such as ACCUs or NZUs), each representing the reduction, avoidance or removal from the atmosphere of one tonne of carbon dioxide or its equivalent (CO₂e). In some situations, organisations emitting less carbon than currently permitted can sell their surplus credits.

"To be valid, a project needs to meet the test of additionality. It must be clear the benefits would not happen if the project did not exist. Protecting a forest or wetland, for example, is a valid project only if these would not otherwise be protected.

"Transfers can take place in either a carbon compliance market (with government or regulatory oversight) or a voluntary market. Units purchased in a voluntary carbon market might have lower integrity and credibility.

"Offsets should be cancelled (or 'retired') when used, to avoid the possibility of double-counting the benefits claimed.

"Weighing up the pros and cons of carbon offsets

"The best way forward

"The first priority must be to avoid fossil fuels and other sources of GHGs as early as possible. Second, where that is not yet feasible, companies should at least reduce their use of these. The third choice is to offset any unavoidable emissions. This final option, though, might be less reliable, less convincing, and ultimately more costly.

More: www.acuitymag.com/business/carbon-emissions-to-cut-or-to-offset page 61 or <https://acuity.partica.online/acuity/acuity-june-july-2024/flipbook/54/>

Source: Bruce Gilkison in CA ANZ's *Acuity*, June/July edition. ©

Climate Court Cases Which Could Set Precedents Around the World

"Courts around the world are hearing an ever-growing number of climate-change lawsuits with some of the largest cases in history being decided in 2024 and 2025.

"Here are the key cases to watch:

More: www.reuters.com/sustainability/climate-energy/climate-court-cases-that-could-set-new-precedents-around-world-2024-05-21/

Source: Reuters Sustainability Switch, 31st May 2024. ©

Elevate Your Sustainability Skills

“Discover how to make real change in your workplace and build a sustainable organisation by understanding more about social and environmental issues.

“Sustainability is increasing in importance in the accounting world. The challenges to sustainability are large and urgent, with businesses playing a vital role in generating sustainable growth.

“Improve your sustainability skills by growing your understanding of the current sustainability risks and opportunities and their impact on operations, profits, and reporting. Learn how accountants can create transparency for stakeholders and create a long-lasting change.

Learning outcomes;

- Explain the key climate change issues to stakeholders in your business.
- Categorise business risks and opportunities of climate change.
- Understand how scenario analysis can be used to identify risks and opportunities for your organisation.
- Identify requirements for reporting on climate-related risks and opportunities.
- Uncover the principles of the Circular Economy and the five primary categories of circular economy business models.
- Understand how the principles of reduce, reuse, and recycle are applicable to financial decision-making and reporting.
- Develop short, medium, and long-term targets and an actionable strategy to reduce gas emissions and to be realistic but not ignore how fast technology is improving.

When/Where: Blended learning. 20% discount until midnight 1st July AEST

More: https://store.charteredaccountantsanz.co.nz/Elevate-your-sustainability-skills-package_2

Source: CA ANZ, 27th May 2024. 

Revolutionary World-first NZ Electric Hydrofoiling Passenger Boat

“Ferry operator Fullers and a sustainable marine technology start-up are testing what they believe to be the world’s first electric hydrofoiling tourism vessel on Auckland’s Waitematā Harbour.

“Fullers aims for its ferries to be 100% electric or hydrogen powered by 2040, and said the new zero-emission, carbon fibre laminate vessel, the VS-9, will play a part.

“Built by New Zealand-based venture Vessev, the nine-metre VS-9 can transport up to 10 passengers at a speed of 25 knots with a range of 50 nautical miles (92.6km) – equal to roughly four trips to Waiheke Island from downtown Auckland.

“The VS-9 uses techniques similar to America’s Cup vessels

“VS-9 is undergoing on-water testing with a petrol-powered chase boat following and doing the same motions and distance. At the end of each day, the cost of the petrol fuelling the chase boat is 25 times the cost of the electricity used to charge the VS-9.”

More: www.forbes.com/sites/edgarsten/2024/05/27/vessev-launches-hydrofoil-ferry-using-americas-cup-tech/ plus www.stuff.co.nz/travel/350293585/flying-fullers-vessev-test-worlds-first-electric-hydrofoiling-tourism-vessel and <https://crux.org.nz/crux-news/boat-builder-reveals-future-of-passenger-transport-on-southern-lakes/>


Source: Rob Skinner, 28th May 2024 via LinkedIn.

Editor: Watch the video clips. 

From War Machine to Supermarket Staple: A History of the Plastic Bag

“The history of the plastic carrier bag – the kind so often found caught on a tree branch and flagging in the wind – is a story of persuasion.

More: <https://orionmagazine.org/article/plastic-bag-history/>

Source: Editor, 24th May 2024. 


The Sustainable Business Handbook: A Guide to Becoming More Innovative, Resilient and Successful

“Written by three leading thinkers in the field of sustainability – David Grayson, Mark Lee and Chris Coulter, *All In* identifies the essential attributes of high-impact corporate sustainability leadership and describes how companies can combine and apply those characteristics for future success.

“The new *Sustainable Business Handbook* provides more detailed, practical, step-by-step descriptions of how to embed sustainability. As well as the original, five, core attributes of *All In*, the new handbook covers crucial topics like Identifying Material Impacts, Making a Business Case, Operationalising sustainability strategy, Governance, Leadership, Disclosure, Communicating and Engaging Stakeholders.

More: <https://allinbook.net/> plus www.csreurope.org/newsbundle-articles/the-sustainable-business-handbook-is-out-now and www.amazon.com/Sustainable-Business-Handbook-Innovative-Successful/dp/1398604046 328pages, February 2022

Source: Ron Ainsbury, 27th May 2024.

Editor: WINNER: Business Book Awards 2023 – Change & Sustainability Category. 

Seaweed and Mussel Farming Increases Wild Fish Populations


“Mussel and seaweed farming in New Zealand can increase wild fish populations and bolster diversity, according to new international research.

“A research project by the University of Auckland and the University of New England assessed the diversity and abundance of wild fish and invertebrates on farms growing kelp and/or mussels compared to non-farmed sites in the Hauraki Gulf and the Gulf of Maine, United States.

“In an examination of gut contents of snapper living inside and outside New Zealand green-lipped mussel farms, fish living on the farm sites were also found to be eating more nutritious diets than those living in natural habitat.

“When implemented in the right places, aquaculture could bolster biodiversity and contribute to the productivity of fisheries.’

More: www.scoop.co.nz/stories/SC2405/S00082/seaweed-and-mussel-farming-increases-wild-fish-populations.htm and <https://thefishsite.com/articles/new-study-confirms-seaweed-and-mussel-farms-improve-biodiversity-and-abundance-of-marine-life>

Source: Catherine Jeffcoat, 28th May 2024. 

SBC Guide: Adapting to Climate Change (including disclosures)

“Climate change poses business risks – it can also create opportunities. Adapting to climate change, reducing your emissions and producing accurate climate-related disclosures can benefit businesses in many ways. In our newest SBC Guide, we explore the importance of adaptation, including disclosures, and how businesses can get started.

More: <https://sbc.org.nz/wp-content/uploads/2024/05/Adapting-to-climate-change-SBC-Guide.pdf> 9 pages 1.49Mb


Source: *SBC Weekly Pānui*, 30th May 2024. 

Two New Standards Issued

Standards New Zealand has issued the following new standards;

- *AS/NZS ISO 14015:2024 - Environmental management – Guidelines for environmental due diligence assessment* Standard identically adopts ISO 14015:2022, which gives guidance on how to conduct an environmental due diligence (EDD) assessment through a systematic process of identifying environmental aspects, issues and conditions as well as determining, if appropriate, their business consequences.
- *AS/NZS ISO 9488:2024 - Solar energy – Vocabulary Standard* identically adopts ISO 9488:2022, which defines basic terms relating to standardisation in the field of the measurement of solar radiation and solar energy utilization in space and water heating, cooling, industrial process heating and air conditioning.

More: www.standards.govt.nz/shop/asnz-iso-140152024/
www.standards.govt.nz/shop/asnz-iso-94882024/

Source: Standards NZ, 23rd May 2024. 

Ecological Grief: How Can Those at Risk be Helped?

"We feel ecological grief when we lose places, species or ecosystems we value and love. These losses are a growing threat to mental health and wellbeing globally.


"We all see news of environmental degradation and climate change impacts around the world. But environmental scientists, rangers, engineers, advocates and policymakers are at particular risk of ecological grief, due to their first-hand experience of environmental decline. Our author group has heard from colleagues about the impacts of coral bleaching, bushfires and floods on their work and the distress they feel.

"Ecologist Daniella Teixeira has also written about her 'immense grief' at the impact of bushfires on the species she was studying.

"I grieved not only for the glossy black cockatoos and other damaged species, but also the loss which would come in the future under climate change. [...] I will inevitably face more crises, and dealing with them effectively means keeping my mental health in check."

"In our paper published today we draw on psychology and public health research for insights and strategies which help people adapt to loss and apply these to ecological grief. We developed an approach we call 'ecological grief literacy'. We highlight three key elements: peer support, organisational change and practical workplace strategies.

More: www.eco-business.com/opinion/many-people-are-feeling-ecological-grief-how-can-we-help-those-whose-work-puts-them-at-risk/

Source: *SnippETS*, 23rd May 2024. 

How an El Niño-Driven Drought Brought Hunger to Southern Africa

"*Yale Environment 360*, journalists Jenipher Changwanda and Freddie Clayton report from southern Africa on the record-breaking drought which has devastated crops throughout the region. Fueled by El Niño, the extended dry spell – the worst in more than a century – has led to emergency declarations in Zambia, Malawi, and Zimbabwe, where millions of people are now facing a hunger crisis. In some drought-affected areas, food prices have risen up to 82%, and some communities are eating grass in desperation. 'If we survive until the next harvest', says a Zambian farmer, 'it will be by the grace of God.'

More: <https://e360.yale.edu/features/southern-africa-drought-crops>

Source: *Yale Environment 360*, 24th May 2024. 

Ethical Infrastructure: UK Experiences and Australian Developments

"People are being left suicidal by the state of public services in Britain, the body responsible for investigating complaints against the government and the NHS has said.'


"So began an article in *The Times* (*State of public services in the UK 'leaves people suicidal'*) by Kate McGann, 23rd March 2024). The article quotes Rebecca Hilsenrath, the Parliamentary and Health Service Ombudsman, commenting on a new report she has issued: warning of 'a total breakdown in trust between citizens, in the public in this country and state services.'

"The same edition of *The Times* had an article about a new book called *Downward Spiral: Collapsing Public Standards and How to Restore Them* by John Bowers, a KC, part-time judge and principal of Brasenose College, Oxford. Bowers highlights breaches of the ministerial code; abuses of ministerial patronage such as appointments to the House of Lords and 'partygate' – the repeated breaches of Covid restrictions by politicians and their advisors. Bowers writes 'the rule of law is threatened when those who make the law, treat it as unimportant.'

"Challenges to civilised, rigorous public debate and to disagreeing respectfully; loss of trust in public institutions are all deeply corrosive in themselves but also threaten national security, especially in a multi-cultural society like the UK. If citizens don't trust fellow citizens or those in authority, it makes them all the more susceptible to dis and mis-information from hostile foreign states and their agents. Happily, the majority (70%) of people in the UK reported, in general, they trust most people, according to recent research from the Office of National Statistics – but look at the low levels of trust citizens have in government or in parliament. [Graph]

"If any readers are interested in a discussion about further rebuilding the UK's ethical infrastructure and what forms this might usefully take, please do get in touch. We are keen to join with other, parallel, discussions

More: www.ibe.org.uk/resource/rebuilding-the-uk-s-ethical-infrastructure-by-prof-david-grayson.html

Source: Ronald Ainsbury, 23rd May 2024. 

Self-dusting Solar Panels

"Our first innovation of the month keeps dust from accumulating on panel surfaces.

More: www.edie.net/next-generation-energy-storage-and-self-dusting-solar-panels-the-best-green-innovations-of-may-2024/

Source: edie, 30th May 2024. 

Duende: From Scream to Song at the Edge of Insanity

"In the runup to our Deep Dive on Building Emotional Resilience, I [Rob Dietz] asked Rachel Donald, creator of the *Planet: Critical* newsletter and podcast, for her take on how to stay sane in a society which is not responding rationally to the cascading crises of the 21st century.

"Through story and poetic language, she bravely confronts the violence of the world and accompanying anxieties, and without flinching, she shares a new concept (and word) for navigating these times.

"Since our conversation I've been rethinking how I can deal with climate breakdown and the damaged ecosystems I encounter every day. I encourage you to read her thought-provoking article.

More: www.resilience.org/stories/2024-05-23/duende-from-scream-to-song-at-the-edge-of-insanity/

Source: Post Carbon Institute, 24th May 2024. 

Sustainability Reporting Standards and Landscape


"The Asia-Pacific region has witnessed a surge in adoption of ESG regulations in recent years, causing businesses to be cognizant of the growing importance of sustainable business practices and sustainability reporting standards. The release of the International Financial Reporting Standards' (IFRS) inaugural ISSB standards in June of last year has placed renewed attention on the ESG regulatory landscape which hasn't gone unnoticed.

"In the APAC region, several nations have released local sustainability reporting standards which complement global initiatives like the Global Reporting Initiative (GRI), the Sustainability Accounting Standards Board (SASB), and the Task Force on Climate-related Financial Disclosures (TCFD). In the Asia-Pacific region, these ESG frameworks are commonly used, albeit on different scales.

"This article aims to provide an overview of the ESG regulatory and sustainability reporting landscape across Asia-Pacific countries, in 2024 and beyond.

More: <https://stacs.io/guide-to-asia-pacifics-esg-regulations-sustainability-reporting-landscape/> ...

Source: Editor, 5th June 2024.

Editor: Provides information about numerous SE Asia-Pacific countries. NZ is not among those listed. 

Nature at a Tipping Point: How investors in Asia Pacific can Manage Nature-related Risks

"PwC analysis reveals 58% of the combined market capitalisation of Asia Pacific stock exchanges (US\$17 trillion) includes companies with higher or moderate dependency on nature. So, how can investors and investee companies mitigate these risks and integrate them into their strategies?

"Nature is defined as occurring in four realms – land, ocean, freshwater and the atmosphere. Within each realm, there are different types of natural ecosystem or 'biome', such as tropical forests, rivers and streams. Ecosystems are natural assets which provide 'ecosystem services' on which the world depends, such as fresh water for drinking and irrigation and pollination of crops by insects, birds and other animals.


"Right now, nature is declining faster than at any point in human history. The Asia Pacific region alone is experiencing alarming levels of nature loss, posing serious challenges to both the environment and the economy. Nature loss threatens business operations, supply chains and productivity.

"PwC analysis shows the undeniable and substantial risk inherent in the decline of nature associated with impact to business and 53% of Asia Pacific economic gross value added (GVA) are moderately or highly dependent on nature, amounting to US\$18 trillion³.

"In collaboration with the Asia Investor Group on Climate Change (AIGCC), PwC has released *Nature at a Tipping Point*, a guide for investors in the Asia Pacific region on understanding and identifying nature-related risks to achieve a nature-positive future. Through the working relationship, AIGCC and PwC aim to build awareness and encourage action towards the protection and restoration of the region's natural environment.

More: www.pwc.com/gx/en/issues/esg/manage-nature-related-risks-asia-pacific.html 39pages, 9.7Mb

Source: Debbie Kandaau, CA ANZ, Weekly Digest for Climate & Sustainability, 31st May 2024.

Editor: This report is pertinent to more than accountants, economists and similar. 

China Latest of 20+ Jurisdictions to Integrate ISSB Standards into Sustainability Disclosures

"With China's draft sustainability disclosure standards published yesterday [27th May], more than 20 countries encompassing over half of the global economy have now integrated or plan to integrate the ISSB standards into mandatory sustainability disclosures for companies.

"China is the latest country to announce its intention to make ISSB-aligned sustainability reporting mandatory, with a draft of its Corporate Sustainability Disclosure Standards published yesterday on the Ministry of Finance's website.


"The draft (in Chinese) includes six chapters and 33 articles covering general provisions, disclosure objectives and principles, information quality requirements, disclosure elements, other disclosure requirements, and supplementary provisions, and the government is now accepting feedback until June 24.

"The draft formulates the unified China Sustainability Disclosure Standards based on ISSB Standards, drawing on the beneficial experiences of ISSB Standards, aligning with China's context and showcasing Chinese characteristics', explains the IFRS Foundation, which is behind the ISSB standards.

"Once the rules are finalised, mandatory reporting will be phased in from 2027 starting with listed companies and gradually expanding to non-listed companies. China's stock exchanges published their own draft guidelines for corporate sustainability disclosures in February.

More: www.csolfutures.com/news/china-latest-of-20-jurisdictions-to-integrate-issb-standards-into-sustainability-disclosures/ plus https://viewpoint.pwc.com/dt/gx/en/pwc/in_briefs/in_briefs_INT/in_briefs_INT/ministry-of-finance-issued-the-exposure-draft-of-chinese.html


Source: eco-Business.com, 5th June 2024.

Editor: This could impact NZ exporters. 

Taking the Heat Out of Harmful Coolants

"Being able to keep your home, yourself and your food cool is one of the many benefits of modern living, but inside the family fridge is something far more unpalatable than that week-old stir fry.

More: <https://newsroom.co.nz/2024/05/21/taking-the-heat-out-of-harmful-coolants/>

Source: Purpose Capital *Quarterly Snapshot*, 29th May. 

IFRS S1 and IFRS S2: Two Webcasts Outlining Their Financial Effects

"Part one: *Overarching requirements and current financial effects*. explain the overarching requirements for disclosing current and anticipated financial effects in IFRS S1 General Requirements for the Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. They also provide an in-depth look at requirements related to the current reporting period. 23'47".

"Part two: *Anticipated financial effects and mechanisms for application and proportionality*. discuss disclosure requirements related to effects of sustainability-related risks and opportunities over the short, medium and long term. They also cover the mechanisms available in the ISSB Standards to facilitate application and address proportionality of the disclosure requirements. 23'16"

More: www.ifrs.org/supporting-implementation/supporting-materials-for-ifrs-sustainability-disclosure-standards/ifrs-s1-and-ifrs-s2/webcasts-current-and-anticipated-financial-effects/

Source: Debbie Kandaau, CA ANZ, Weekly Digest for Climate & Sustainability, 31st May 2024. 