

Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children

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Billions of \$'s of NZ Business' Purchasing Power Aims for More Sustainability

"Major businesses, local authorities, three major New Zealand universities and representatives from national and local government are all working together on a new initiative to make business purchasing more sustainable.

"Fletcher Building, NZ Post, Westpac and AMI are among the household names taking part in the new Sustainable Procurement Leaders Group, convened by the Sustainable Business Network (SBN). They are working alongside the likes of Auckland Transport, AUT University and Te Herenga Waka - Victoria University of Wellington.

"The aim is to accelerate New Zealand's drive to become a world-leading sustainable and resilient economy.


"The group is meeting quarterly to develop and share best practice, tools and resources, with the aim of making a radical shift in New Zealand's supply chains to a more resilient, sustainable path. ...

"Businesses know they have huge influence. They can reduce their environmental impact through changes in procurement. It's about what they buy, who from and how. Their policies can set high standards on the climate, waste, water and social impacts of the products and materials they buy. And this can often represent huge quantities.

"The first meeting for the group was on 23rd September. Its activities are set to be followed by a series of progress reports and action plans. the real action will be seen in the operations of the businesses themselves.

"We want to shift the dial from making decisions based on short term costs in dollar terms, to a more holistic view of long term value for the businesses and for New Zealand. That's where real success lies in the long run for all of us."

More: <https://sustainable.org.nz/wp-content/uploads/2020/10/MEDIA-RELEASE-Billions-of-dollars-of-NZ-business-purchasing-aims-for-more-sustainability.pdf> plus <https://sustainable.org.nz/procurement-group/>

Source: SBN, 20th October 2020. 


'Jet Fighter' Godwit Breaks World Record for Non-stop Bird Flight

"A 12,000-kilometre non-stop round-the-world flight from Alaska to New Zealand would tire out even the most seasoned air traveller, without the help of a snack, a nap or some distracting entertainment. For the male bar-tailed godwit, on the other hand, it's a piece of cake.

"Scientists say the bird has set a new world record for avian non-stop flight, after tracking its route over 11 days from southwest Alaska to a bay near Auckland, flying at speeds of up to 55 km/h. ...

"Scientists believe, but have not yet proven, that the birds do not sleep on their journey, despite flapping their wings non-stop. 'They have an incredibly efficient fuel-to-energy rate', Conklin said.

More: www.vermillionstandard.com/news/world/around-the-world-in-11-days-bar-tailed-godwit-breaks-own-record-flying-from-alaska-to-new-zealand/

Source: Orion, 16th October 2020. 

The NZ Sustainability Framework You May Not Have Heard About

Have you heard of 'ZQ'? I don't think I had until during Labour Weekend I began a search to replace a worn out jersey.

ZQ is a wool certification, developed and owned by The New Zealand Merino Company which is a commercial company based in Christchurch. The wool comes mainly from merino sheep in NZ's South Island high country. Started in 2007 the growers supply directly to supply chain customers and retail brands; not via auction. ZQ is recognised by ISO/IEC 17065:2012 and all auditing is done by third party services; mainly AsureQuality which audits about 15,000 sheep, beef and dairy farms each year in New Zealand and Australia.

ZQ wool is used by approximately 60 partners including AllBirds, Barkers, Hugo Boss, Icebreaker, Little Yellow Brid, Rembrant, Rodd and Gunn, Swanndri and Untouched World.

More: www.discoverzq.com

Source: Editor, 25th October 2020.


Editor: If you have not already also visit www.barkersonline.co.nz/madeforlife/ and related pages and especially their *Material Truth Report* at www.barkersonline.co.nz/media/wysiwyg/sustainability/BMC-Material-Truth-Transparency-Report-2019.pdf 43 pages 7.03mb, April 2019. Not to a recognised reporting framework but never-the-less impressive. 

The Consideration of Climate-Related Risks in an Audit of Financial Statement

"Climate change is increasingly front of mind for investors and other International Auditing and Assurance Standards Board [IAASB] stakeholders as its effects are increasingly visible. Given climate change's potential to impact most, if not all entities, directly or indirectly, the IAASB issued this Staff Audit Practice Alert, which assists auditors in understanding what already exists in the International Standards on Auditing today and how it relates to auditors' considerations of climate-related risks in an audit of financial statements. ...

More: www.iaasb.org/publications/consideration-climate-related-risks-audit-financial-statement 16 pages, 732Kb

Source: Karen McWilliams, CA ANZ, 27th October 2020

Editor: Page 1: 'Climate change is an area of increasing concern and priority for investors which may affect how investors perceive climate-related risks in the entity's financial statements' and 'Depending on the facts and circumstances of an entity, climate-related events or conditions may contribute to the susceptibility to misstatement of certain amounts and disclosures in an entity's financial statements.' 

If you would like to support *Sustainability Matters* donations would be very welcome at this account;

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Sustainability Matters

ASB Bank, Queen Street branch, Auckland

How much? As a suggestion \$46.00

Te Ao Māori Values at Heart of 'World-first' Tahito Investment Fund

"Māori ethics put people and the environment first because both are fundamental to living and thriving."

"That's the starting point for new wealth management firm Tahito, which co-founder Temuera Hall says is guided by Te Ao Māori ancestral knowledge principles.

"Hall (Ngāti Tūwharetoa, Te Arawa) moved to Auckland five years ago and is based at JMI Wealth's offices in Takapuna.

"We don't invest in anything that pokes into Ranginui [Sky Father] or breaks into Papatūānuku [Earth Mother]", he says.

"Many companies are planning to go carbon zero but do they look after their staff or the families of their staff or communities? How well do they engage? You have to look through the language."

"The fund claims to be a world-first in indigenous ethical Aotearoa investment and Paul Glass, founder of Devon Funds, says it's a welcome addition to the market.

"I think indigenous investment will be a real growth area."


"Of the shares held in 27 listed companies by the one-year-old Tahito Te Tai o Rahua [Transtasman] Fund, none are in armaments, gambling, alcohol, tobacco or activities which don't align with its principles. Companies are scored by 50 measures. ...

"Each company is scored on te taiao [environment], hapori [social], mana whakahaere [governance], commitment to climate change, environmental pillar, human capital, development and corporate governance themes....

"At just \$3m Hall hopes some big-time investors will soon jump on his waka ... We want to get to about \$50m, all going well, in the second half of next year." ...

More: www.nzherald.co.nz/business/business-hub-te-ao-maori-values-govern-world-first-tahito-investment-fund/SOIKPZUSSASYHKBMIAQLNQJOFA/ plus <https://jmiwealth.co.nz/tahito> and <https://investmentnews.co.nz/investment-news/aeqis-head-joins-maori-fund-as-chair/>

Source: *NZ Herald*, page C5, 24th October 2020.

Editor: Currently available to wholesale and professional investors – not yet retail investors. 

IIRC's Global Conference

The International Integrated Reporting Council's (IIRC) 2020 Global Conference has as its theme 'Sustainable value creation in an interconnected world'.

"Over three days, there will be an exclusive review of the results of this year's <IR> Framework revision consultation, and global market leaders will provide insights on the future of integrated reporting. There will also be discussions and practical workshops covering key topics such as crisis management, managing climate risk and working with technology to enable integration.


"This year's speakers are among the most innovative thought leaders from across the world. With expertise spanning the financial and industrial sectors, to higher education and governance professionals, they are set to make the conference the most broad and relevant to date.

Speakers from; IIRC, IFAC, HSBC, JLL, SASB, Transparency International, UN Global Compact, WBCSD and others

When/Where: 30th Nov to 2nd Dec; Online

More: <https://informaconnect.com/iirc-integrated-reporting/> and zara.maung@theiirc.org

Source: Rick Jones, Country Head NZ, CPA Australia.

Editor: A discount code is available to International <IR> Framework Revision roundtable participants. 

First Impact Investment Readiness Recipients Announced


"Akina is proud to announce the first seven recipients of this year's Impact Investment Readiness Programme. The programme provides funding of up to \$30,000 for impact-led businesses to spend on professional services that get them ready for investment, and has previously supported businesses like LearnCoach to raise over \$1 million in impact investment.

Impact Investment Readiness Programme recipients;

- Big Street Bikers
- Chia Sisters
- Fund A Future
- Mentemia
- Social Labour Supply
- Treadlite
- Zincovery

More: www.akina.org.nz/news/iirp-2020-recipients-announced


Source: *SBC Weekly Pānui*, 22nd October 2020.

Editor: Read what these young enterprises are doing! 

Shoes Made by Wellington Startup from Pineapple Husks and Ocean Plastic

"Shoes made from pineapple leaves, recycled ocean plastic and algae blooms are the raw materials for NZ's latest eco-responsible shoe. The idea came to the founder Jeremy Bank when he was on holiday in Maui two-years ago, where he noticed the sand was no longer white, but covered in little flecks of coloured plastic. He started the company named 'YY Nation' based on the two 'whys' Bank asked himself. 'Why is this happening? And why can't I do more about it?' Good questions.

More: www.carbonems.com/single-post/2020/10/22/Snippets-for-22-October-2020 plus www.stuff.co.nz/environment/123000379/sustainable-shoes-made-by-wellington-startup-from-pineapple-husks-and-ocean-plastic

Source: *SnippETS*, 22nd October 2020. 

The CFC-Ozone Puzzle: Environmental Science in the Global Arena


"As we head into the last months of 2020, NCSE joins the scientific community in honouring Dr. Mario Molina, a brilliant scientist and Nobel Laureate who passed away earlier this month. In addition to his research on chlorofluorocarbons and their impacts on the ozone layer, Dr. Molina presented the inaugural Chafee Memorial Lecture at the first NCSE Annual Conference in 2000. ...

"Dr. Mario J. Molina, who received the Nobel Prize in Chemistry in 1995 for work on chlorofluorocarbons and their impacts on the ozone layer, passed away 7th October 2020. NCSE was honoured to have Dr. Molina and Dr. Sherwood Rowland present 'THE CFC-OZONE PUZZLE: Environmental Science in the Global Arena' for the inaugural lecture at the first NCSE Annual Conference in 2000.

More: www.ncseglobal.org/sites/default/files/inline-files/ChafeeMemorialLecture_2000.pdf 1.08Mb 52 pages plus www.nobelprize.org/prizes/chemistry/1995/press-release/

Source: NCSE, 23rd October 2020.

Editor: See for instance Slide 51 on page 36 of Senator George Mitchell's statement at Senator John Chafee hearing, [June 1986](#);

"What is missing in the federal effort is action. The problem of global warming brings another round of scientists before us decrying the folly of waiting until it is too late to prevent irreversible damage." 

Who Should be Responsible for Global Sustainability Reporting Standards?

"The Trustees of the IFRS Foundation have published a Consultation Paper to assess demand for global sustainability standards and, if demand is strong, to assess whether and to what extent the Foundation might contribute to the development of such standards.

"The IFRS Foundation was established to develop a single set of globally accepted accounting standards. It is the organisation behind IFRS Standards – financial reporting standards required for use by more than 140 jurisdictions, including Australia and New Zealand. The Trustees are responsible for the strategic direction and governance of the Foundation as well as for oversight of the International Accounting Standards Board, which sets IFRS Standards.

"Amid heightened focus on environmental, social and governance (ESG) matters, developments in sustainability reporting and increased calls for standardisation of such reporting, the Trustees are now seeking stakeholder input on the need for global sustainability standards and gauging support for the Foundation to play a role in the development of such standards.


"The Consultation Paper sets out possible ways the Foundation might contribute to the development of global sustainability standards by broadening its current remit beyond the development of financial reporting standards and using its experience in international standard-setting, its well-established and supported standard-setting processes and its governance structure.

"One possible option outlined in the paper is for the Foundation to establish a new Sustainability Standards Board. The new board could operate alongside the International Accounting Standards Board under the same three-tier governance structure, build on existing developments and collaborate with other bodies and initiatives in sustainability, focusing initially on climate-related matters.

Action: The consultation closes on 31st December 2020. CA ANZ will be contributing to this process and seeks member input in preparing the submission.

More: www.charteredaccountantsanz.com/news-and-analysis/news/who-should-be-responsible-for-global-sustainability-reporting-standards plus www.ifrs.org/news-and-events/2020/09/ifrs-foundation-trustees-consult-on-global-approach-to-sustainability-reporting/ and www.ifrs.org/projects/work-plan/sustainability-reporting/comment-letters-projects/consultation-paper-and-comment-letters/#comment-letters

Source: Karen McWilliams, CA ANZ, 27th October 2020


Editor: As a suggestion read the comment letters. 

How Small-Scale Loggers Can Help Save Africa's Tropical Forests

"Small-time loggers providing timber to local villages have long been seen as a threat to African forests. But today at *Yale Environment 360*, our contributing writer Fred Pearce reports on how that view is changing, as evidence mounts that these communities can be better forest protectors than the governments that are sanctioning major commercial operations. Unlike those large operators, local 'chainsaw' loggers – whose work is illegal in Ghana and other African nations – drag no heavy equipment into the forest, require no roads for access, and contribute to local economies. 'Artisanal loggers are often seen as the primary cause of deforestation', says one expert. 'But their environmental impact is low, while their social benefits are high.'

More: <https://e360.yale.edu/features/how-small-scale-loggers-can-help-save-africas-tropica>

Source: *Yale Environment 360*, 23rd October 2020.

Editor: The same concepts may be able to be used elsewhere including in NZ and Australia. 

Māori Landowners Challenges of Income from Carbon

"In 1915, Mike Gibbs' Māori ancestors made their way from the flat, agricultural plains of Southland to the wild, steep, forested edge of Eastern Fiordland.

"They were excited – the New Zealand Government was offering them plots to call their own, under the just-passed South Island Landless Natives Act (SILNA). Their ancestral lands had long ago been taken over by white settlers.

"So they're on their way out there, and they meet people coming back the other way', says Gibbs, recounting a family legend he's heard many times. 'And those people just said, 'There's nothing there. We can't farm it; we can't do anything with it.'


"Today's visitors to the Rarakau area would most likely disagree: the land is home to swathes of tall indigenous rainforest, perching on clifftops above vast, granite-bouldered Bluecliffs Beach in Te Waewae Bay, which is sloshed by the vast southern ocean and backed by the snow-dusted peaks ...

"But farming was the perceived pathway to wealth at the time, and those early land claimants knew the area's clay pan and boggy ground would never support productive agriculture. 'And so it was named 'the cruel joke', said Gibbs, 'that this land was given to us.' ...

"[The ETS] is a very complicated, complex system', ...

"For his part, Gibbs is keen to ensure those younger generations feel connected to Rarakau – and that's why having a healthy, well-preserved forest, a thriving farm and a sustainable business model is particularly important. 'I think at some point, there'll be people who have no other affiliations or ties to anyone else but that whenua [land], and they may not be lucky enough to have a whakapapa [genealogy] which goes past the person that was given that land in 1915', he said. 'So we need to make that space their space; I believe those kids have a right to that. Because once they feel that connection, that gives them their own mana [prestige, status, honour] that they carry out into the world; that's what everybody needs – especially Māori youth.'

More: www.climatechangenews.com/2020/10/16/new-zealands-deep-south-maori-landowners-make-money-keeping-forests-intact/

Source: *Climate Home News*, 17th October 2020. 


What are Science-based Targets? [SBTi]

"Put simply, science-based targets are a set of goals that can be developed by a business to provide it with a clear route to reduce greenhouse gas (GHG) emissions and to future-proof their growth. An emissions reduction goal is defined as 'science-based' if it is developed in line with the scale of reductions required to keep global warming below two degrees (2C), from pre-industrial levels.

"However, following the publication of the Intergovernmental Panel on Climate Change's (IPCC) Special Report into the impacts of failing to limit global temperature rise to 1.5C in 2018, the organisation spearheading the movement of corporate targets aligned to climate science – the Science Based Targets initiative (SBTi) – has made a 'well-below 2C' pathway the minimum requirement for targets since April 2019.

"The setting of science-based targets is a significant undertaking, which requires a methodological approach and adequate resources to ensure it leads to tangible business benefits. These methods and resource requirements will be explained in detail throughout this guide. ...

More: www.edie.net/downloads/edie-explains--Science-based-targets-2020-updated--/503 11 pages 4.18mb sign up required

Source: edie, 22nd October 2020. 

CDSB: Guiding the Profession through Climate Disclosure

“A working group under the governance of the Climate Disclosure Standards Board (CDSB) has been set up to develop guidance for preparers on considering and incorporating climate-related matters into financial reporting. ICAEW is represented on the working group along with IFAC and others. ‘We need to make sure that what we develop is fit for purpose for accountants and the wider market’, says Jadeja. ‘We’re looking to create guidance for the end of this year.’

“As he points out, there is plenty of activity on the climate reporting front. ‘In the last few years, there’s been a lot of movement around non-financial reporting within the annual report – the front half. In Europe, we’ve seen *The Non-Financial Reporting Directive* which requires companies to report – increasingly – on matters including the environment. In the UK we’ve had similar developments when it comes to s172 reporting – Directors’ Duties to Report – on a number of matters, including the environment.’

“Perhaps most significantly, the TCFD recommendations have grown in both prominence and expectation since they were published in 2017. In 2019, the UK Government outlined in its Green Finance Strategy that the TCFD recommendations would become mandatory for all listed companies by 2022, as well as large asset owners. And let’s not forget the New Zealand Government has just said companies must report around TCFD by 2023.

“An area we’ve looked closely at relates to reporting against TCFD recommendations in company reports and, although there is still work to be done in terms of getting better reporting, there is a clear trend in that direction’, says Jadeja.

“However, while there is movement in the front half of company reports, there’s increasing concern climate isn’t appropriately reflected in the actual financial statements of the annual reports – the back half’, he says. ‘That concern has come from the TCFD itself. ‘So, while progress has clearly been made, there are still no numbers for investors to focus on. Now, a public letter** from investor groups representing over US\$103 trillion in assets under management states clearly they expect climate to be fully reflected in financial reporting.

More: www.icaew.com/insights/viewpoints-on-the-news/2020/oct-2020/cdsb-guiding-the-profession-through-climate-disclosure?

** www.unpri.org/accounting-for-climate-change/public-letter-investment-groupings/6432.article ‘So we are asking ...that henceforward the assumptions made by companies in preparing financial statements under International Financial Reporting Standards be compatible with the Paris Agreement.’

Source: Karen McWilliams, CA ANZ, 27th October 2020.

Seismic Blasting Efforts Halted in Atlantic Ocean

“A status conference on seismic litigation revealed today [1st October] the industry will not pursue efforts to employ seismic blasting to search the Atlantic Ocean [USA] for offshore petroleum deposits this year, and possibly for several years.

“This is a huge victory not just for us but for every coastal community that loudly and persistently protested the possibility of seismic blasting’,....

More: www.commondreams.org/newswire/2020/10/01/seismic-blasting-efforts-halted-atlantic-ocean

Source: Zureli.com, 22nd October 2020.

We're Hiring! Fundraising Manager

Trees for Survival is looking for a person to head their fundraising efforts.

More: <https://dogoodjobs.co.nz/jobs/fundraising-manager-17/> plus www.tfsnz.org.nz

Source: Trees for Survival, 17th October 2020.

Project Mapping Launch

“The Waikato River Authority [as at 23rd October] is expecting to launch a new content platform within its website in the next few weeks, which will begin to map all funded projects.

“The mapping functionality, which is GIS (Geographic Information System) based, plots individual projects and allows comprehensive views of the catchment with layers of information.

“The first phase of the project involves the mapping of 2018 and 2019 projects with information in behind each of the plotted projects including photographs, videos as well as details about project progress and funding.

“Authority Funding Manager, Michelle Hodges, says the mapping tool will allow potential funding applicants, and anyone else interested, to see where and what work has been carried out with Waikato River Authority funding.

“We are also ensuring a close connection back to the Restoration Strategy for the Waikato and Waipā Rivers by showing what has been completed, and what projects could still be worked on’, she says....

More: <https://email.we-are-mea.com/t/ViewEmail/r/489C41DB88F38CBE2540EF23F30FEDED/DA67BD6ADFD68DC02F2D7CE03BDBA4BC>

Source: Waikato River Authority, 23rd October 2020.

Editor: The concept could be useful in other contexts.

How to Measure the Financial ROI of Your Shovel-ready Training

“Strategic environmental trainer Clare Feeney is again running her popular 1-day workshop on ROI specifically for environment and sustainability and health and safety professionals. Strong links with the Government’s 2019 Rules for sustainable and inclusive procurement. ...

When/Where: 8:30-5:30pm, 11th November, Auckland.

More: <https://www.eventbrite.co.nz/e/building-shovel-ready-capability-how-to-measure-monetise-training-roi-registration-121466107397>

Source: Clare Feeney, 28th October 2020.

The Future We Choose: Surviving the Climate Crisis

“Climate change: it is arguably the most urgent and consequential issue humankind has ever faced. How we address it in the next thirty years will determine the kind of world we will live in and will bequeath to our children and to theirs.

“In *The Future We Choose*, Christiana Figueres and Tom Rivett-Carnac – who led negotiations for the United Nations during the historic Paris Agreement of 2015 – have written a cautionary but optimistic book about the world’s changing climate and the fate of humanity.

“The authors outline two possible scenarios for our planet. ... They argue for confronting the climate crisis head-on, with determination and optimism. *The Future We Choose* presents our options and tells us what governments, corporations, and each of us can and must do to fend off disaster.

More: www.goodreads.com/en/book/show/52117860-the-future-we-choose 240 pages, February, www.theguardian.com/environment/2020/feb/15/christiana-figueres-climate-emergency-this-is-the-decade-the-future-we-choose

Source: NCSE, 22nd October 2020.