

# Sustainability Matters

Compiled and published by Ray Skinner, FCA

Business achieving a tomorrow for tomorrow's children



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## Significant Climate Change Reporting Debate

"Accounting is one of the biggest factors holding back climate action in New Zealand, according to accountant Wendy McGuinness (FCA).

"The former Treasury contractor is trying to persuade Treasury to put the cost of meeting New Zealand's climate targets on the government's official financial statements.

"The issue is the \$3-\$23 billion needs to be paid by 2030, to buy carbon offsets from overseas to meet New Zealand's climate target.

"Those billions will pay for an estimated 100 million tonnes of carbon dioxide reductions by other countries, which could cover projects such as retiring a coal-fired plant, installing a solar farm or planting a new forest.

"The overseas top-up is planned because New Zealand's own carbon reductions are not on track to meet its whole first target under the Paris Agreement, and making purchases overseas is likely to be cheaper than doing all the work here.

"But while there is bipartisan agreement those billions of dollars need to be paid, they are currently invisible on the country's balance sheet – because they are not counted as a financial liability.

"Buying a large number of overseas offsets has been part of New Zealand's climate plan, ever since John Key's government first signed the Paris Agreement in 2016.

"Official briefing notes from that period showed the cost of buying offshore credits to meet the 2030 target was expected to be higher than it was now – up to \$37 billion.

"The most recent Labour-led government progressed work on designing bilateral deals with other countries to buy these credits, and the work is still ongoing.

"There's no doubt in government circles the payments will need to be made. National re-committed to the target before the election.

"A recent briefing to Prime Minister Christopher Luxon for a meeting with Climate Change Minister Simon Watts (obtained by 350 Aotearoa campaigner Adam Currie) says: 'New Zealand is not on track to meet [the first climate target] through domestic abatement alone and will require the purchasing of offshore offsets.'

"It said finding ways to make extra cuts inside the country should be explored, 'but will be insufficient to deliver the full amount. Some degree of offshore purchasing is therefore essential to meet the commitment'. .... [Long article]

**More:** [www.rnz.co.nz/news/national/515875/the-woman-fighting-climate-change-with-accounting](http://www.rnz.co.nz/news/national/515875/the-woman-fighting-climate-change-with-accounting) plus [www.mcguinnessinstitute.org/wp-content/uploads/2024/03/20240311-invitation-to-comment-DP-2024-01.pdf](http://www.mcguinnessinstitute.org/wp-content/uploads/2024/03/20240311-invitation-to-comment-DP-2024-01.pdf) 93pages, 3.69Mb. This is a draft. Final version expected about May 2024.

**Source:** Kit Withers, 4<sup>th</sup> May 2024.

**Editor:** The discussion paper builds on one issued in 2021 and others in preceding years. The concepts may have implications for other public, and private sector entities and their auditors.

Could the issue have a detrimental impact on the credit rating of any entity; in this instance NZ Inc?

## How to Fix the Finance Flows Pushing Our Planet to the Brink

"Commercial banks are financing a huge amount of fossil-fuel and industrial agriculture activities in the Global South – they must turn off the tap. ....

"It's clear we can't address the climate crisis unless we fix the finance flows which are failing the planet. When we know we have hardly any time left to avoid runaway climate breakdown, it's absurd so much of the world's money is still being poured into fuelling climate change, while barely any is going to the solutions.

"Let's face it – the climate crisis is really about money, and our choices to use it and make it in really stupid ways. ....

"ActionAid research last year showed these banks are financing an astonishing amount of fossil-fuel and industrial agriculture activities in the Global South, causing land grabs, deforestation, water and soil pollution and loss of livelihoods – all compounding the injustice to communities also getting routinely hit by droughts, floods and cyclones thanks to climate change. ....

"But it's not only private finance which is flawed – public funds are being misused as well. Governments are using far more of their public funds to provide subsidies or tax breaks for fossil fuels and industrial agriculture corporations, than they are for climate action. This is ridiculous – it's hurting the planet, and its hurting people.

"Public funds instead need to be redirected towards just transitions which address climate change and inequality.

"There is growing appetite for climate action. But this just isn't yet matched by willingness to pay for it. Or even to stop profiting from climate destruction. ....

"All of these finance flows need fixing. At the moment, the global financial system is better designed to escalate – rather than address – climate change, vulnerability and inequality. The activists, youth and frontline communities who filled the streets last month hope their calls to stop financing destruction will be heard in the boardrooms and conferences on the other side of the world.

"They say money talks. This is the year the climate movement is going to make sure it listens.

**More:** [www.climatechangenews.com/2024/05/01/how-to-fix-the-finance-flows-that-are-pushing-our-planet-to-the-brink](http://www.climatechangenews.com/2024/05/01/how-to-fix-the-finance-flows-that-are-pushing-our-planet-to-the-brink)

**Source:** *Climate Home News*, 4<sup>th</sup> May 2024. ©

## SBC Guide – The Business Case for Sustainability

"Sustainable businesses create value in the short and long term – economically, environmentally and socially. So how do you get your stakeholders on board? In this new SBC Guide, we outline practical guidance for sustainability professionals looking to make the business case for sustainability to their executives and embed it as a key priority for the organisation. ....

**More:** <https://sbc.org.nz/sustainability-tools/sbc-guide-making-the-business-case-for-sustainability/> 4pages 556K

**Source:** Editor, 3<sup>rd</sup> May 2024. ©

## James Shaw's Valedictory Speech

"Former Green Party co-leader and Minister for Climate Change James Shaw has bowed out of [NZ's] Parliament and has already revealed details of what he is doing next.

"Shaw has delivered his valedictory speech, and said he believed while the single greatest lever for change was in the world of politics, the second was in the world of finance.

"Shortly after his speech wrapped up, it was revealed Shaw would join global infrastructure management company Morrison from July and take on a director role at new investment management company Greenbridge Capital Management.

"He is also joining Air New Zealand's Sustainability Advisory Panel and the board of the World Wide Fund for Nature New Zealand.

"In his speech, Shaw said he was setting himself a five-year mission to reduce or remove 150 million tonnes of climate pollution from global emissions by 2030 (which is also New Zealand's Nationally Determined Contribution under the Paris Agreement). .....

"Shaw said the word 'legacy' made him nervous, as the politics and policy of climate change was not about him or any of the politicians in the room, but about people who will not be born for decades.

"A legacy is not a career, or a brand, or even a set of laws. The only true legacy we can leave is to cherish the world we've been given and to bequeath a better one for our descendants. Civilisations become great, when old men plant trees. That is the only way any of us will ever create anything that lasts beyond our time, in this House - or on this Earth.

"Everyone we care about. Everything we argue about. Happens, here, on what Carl Sagan calls, 'this pale blue dot, the only home we've ever known'. Look after it.' ....

**More:** [www.odt.co.nz/news/national/james-shaw-reveals-next-step-after-valedictory-speech](http://www.odt.co.nz/news/national/james-shaw-reveals-next-step-after-valedictory-speech)

**Source:** Editor, 7<sup>th</sup> May 2024.

**Editor:** Full valedictory speech with video at [www.newshub.co.nz/home/politics/2024/05/livestream-outgoing-green-mp-james-shaw-gives-valedictory-speech.html](http://www.newshub.co.nz/home/politics/2024/05/livestream-outgoing-green-mp-james-shaw-gives-valedictory-speech.html)

## Catching the Wave - Seizing the Opportunities of Sustainability Transformation

"The sustainability transformation is gathering steam. Many multinational companies recognise the increasing strategic importance of sustainability and are proactively assessing operational risks and seizing commercial opportunities. Long-term ambitions to reach net zero, become nature-positive, and improve social outcomes have been set out. However, the short-term actions being taken to achieve long-term sustainability goals often fall short, and companies struggle to imagine the new markets the transformation will bring. Why?

"WBCSD and ERM undertook a dialogue to discover what is holding companies back and the practical steps which can be taken to drive immediate, decisive action aligned with long-term sustainability ambition and market success. This involved a series of frank, in-depth interviews and active engagements with over 130 global business executives and sustainability experts about what needs to be unlocked within business operations and in the mindsets of senior leaders to drive change. In *Catching the Wave*, we lay out our findings and present a set of actions which can help companies both successfully navigate this period of sustainability transformation and accelerate the rate at which it unfolds.

"Key messages .....

**More:** [www.sustainability.com/thinking/catching-the-wave](http://www.sustainability.com/thinking/catching-the-wave)  
65 pages 12.2Mb

**Source:** ERM Sustainability Institute, 3<sup>rd</sup> May 2024.

## SBC Guide – Sustainability Strategy and Plans

"Businesses need a strategy to be successful – and the same goes for sustainability efforts. Having a sustainability strategy helps you focus your efforts, identify what you're already doing well, allocate resources and prioritise next steps. In this second SBC Guide, co-created with thinkstep-anz and Kaitiaki Collective and supported by our ESG working group, we first look at why sustainability strategies are so crucial to success before delving into some practical guidelines for creating your own sustainability strategy .....

**More:** <https://sbc.org.nz/sustainability-tools/sbc-guide-sustainability-strategy-and-plans-2/> 5 pages 1.06Mb

**Source:** Editor, 3<sup>rd</sup> May 2024.

## Unlocking Capital for Sustainability: Six Countries Across Asia in 2024

"*Unlocking capital for sustainability 2024* will be hosted across six countries in Asia this year, with the main summit being held in Singapore on 12<sup>th</sup> September 2024.

"This flagship forum organised by Eco-Business in partnership with UNEP Finance Initiative (UNEP FI) is an annual event on sustainable finance and business which brings together high-level decision makers in finance, business, government and civic society to discuss and commit to actionable initiatives that mobilise the capital markets for sustainable development.

"In this seventh edition, the forum themed 'Transforming Asia: Mobilising finance at speed and scale' will convene thousands of participants across the region to take stock of our progress and chart the way forward.

"As the 2030 Sustainable Development Goals deadline looms, United Nations officials have issued a stark warning — not a single Asian country is on track to meet these critical goals. Based on our existing trajectory, it will take another 32 years for the region to realise the 2030 agenda.

"The next five years are pivotal. To bridge the trillion-dollar funding gap necessary for Asia to regain momentum, we must mobilise resources through clear policies, robust investment plans, and strategic partnerships.

"Sustainable finance plays a crucial role in achieving these goals. With comprehensive regional taxonomies now established, what measures are needed for green finance to be scaled with speed? Amid our global biodiversity crisis, how will regulatory frameworks evolve to enable companies to integrate nature and biodiversity risks into their business decisions?

"*Unlocking capital for sustainability 2024* will be hosted across Indonesia, Malaysia, Philippines, Thailand, China and Singapore from June to October to discuss the responses to these urgent questions .....

**When/Where:** Various

**More:** <https://marketing.eco-business.com/save-the-dates-unlocking-capital-for-sustainability-2024.-six-countries-across-asia-2>

**Source:** eco-Business.com, 3<sup>rd</sup> May 2024.

## Got Broken Stuff? The Tool Library Has a Fix

"With its monthly repair cafes and nearly 5,000 items to lend, Buffalo's Tool Library is chipping away at throwaway consumerism.

Outlines a variation on a theme of repair cafes and perhaps Men's Sheds too. Did you know there are 124 throughout New Zealand and 1,200 in Australia? And not just for men.

**More:** <https://reasonstobecheerful.world/got-broken-stuff-the-tool-library-has-a-fix/> plus <https://menzshed.org.nz/> and <https://mensshed.org/>

**Source:** reasons to be cheerful, 25<sup>th</sup> April 2024.

## Communicating Our Availability

Here's great idea for eMail sign-offs for lots of people who work less than full time, from home and/or part-time;

In the Office = ✓ Remote Office = WFH Non-work day =NWD

Mon	Tues	Wed	Thur	Fri
WFH	✓	✓	✓	NWD

Source: Courtney Wylie, IPANZ, 3<sup>rd</sup> May 2024. ©

## Plastics Treaty Talks in Ottawa Sacrifice Ambition for Compromise

"A week of negotiations in Ottawa has ended, failing to sufficiently advance the plastics treaty ahead of the final talks later this year. The fourth session of the intergovernmental negotiating committee to advance a plastics treaty (INC-4) saw countries adopt a weak program of formal intersessional work. Despite a handful of countries taking a stand to keep ambitious proposals alive, most countries accepted a compromise which played into the hands of petrostates and industry influences.

"From the beginning of negotiations, we have known we need to cut plastic production to adopt a treaty which lives up to the promise envisioned at UNEA two years ago. In Ottawa, we saw many countries rightly assert it is important for the treaty to address production of primary plastic polymers', says David Azoulay, Director of Environmental Health at the Center for International Environmental Law (CIEL). 'But when the time came to go beyond issuing empty declarations and fight for work to support the development of an effective intersessional program, we saw the same developed Member States which claim to be leading the world towards a world free from plastic pollution, abandon all pretence as soon as the biggest polluters look sideways at them.'

"We saw many members of the High Ambition Coalition, including the European Union, fall for a bait and switch throughout the week. The hypocrisy was also evident in the positions of purported leaders like the United States.

"The United States needs to stop pretending to be a leader and own the failure it has created here', said CIEL President Carroll Muffett. 'When the world's biggest exporter of oil and gas, and one of the biggest architects of the plastic expansion, says it will ignore plastic production at the expense of the health, rights, and lives of its own people, the world listens. Even as the US signaled to the G7 it would commit to reduce plastic production, it intentionally blocked efforts to do so in the global talks most relevant to the issue. It's time to ask whether the US delegation to the plastics treaty simply missed the memo on protecting health and human rights from the plastic threat, or whether the Biden Administration forgot to send it.'.....

More: [www.ciel.org/news/outcome-plastics-negotiations-inc4-ottawa/](http://www.ciel.org/news/outcome-plastics-negotiations-inc4-ottawa/) plus [www.reuters.com/business/environment/plastic-treaty-talks-behind-schedule-amid-impasse-over-production-limits-2024-04-29/](http://www.reuters.com/business/environment/plastic-treaty-talks-behind-schedule-amid-impasse-over-production-limits-2024-04-29/) and <https://abcnews.go.com/International/wireStory/5-takeaways-global-negotiations-treaty-end-plastic-pollution-109784999>

Source: Reuters Sustainable Switch, 1<sup>st</sup> May 2024.

Editor: See also

- Fossil Fuel Lobbyists Outnumber National Delegations, Scientists, and Indigenous Peoples at Plastics Treaty Negotiations [www.ciel.org/news/fossil-fuel-and-chemical-industry-influence-inc4/](http://www.ciel.org/news/fossil-fuel-and-chemical-industry-influence-inc4/) per Sydney Morning Herald 1<sup>st</sup> May 2024 → Insights to be aware of.
- Why a legally binding global plastics treaty is a necessary pathway to combat the climate crisis, [www.eco-business.com/opinion/why-a-legally-binding-global-plastics-treaty-is-a-necessary-pathway-to-combat-the-climate-crisis/](http://www.eco-business.com/opinion/why-a-legally-binding-global-plastics-treaty-is-a-necessary-pathway-to-combat-the-climate-crisis/) eco-Business.com 3<sup>rd</sup> May. ©

## Meet the 2024 Goldman Environmental Prize Winners

"This year marks the 35<sup>th</sup> anniversary of the prestigious Goldman Environmental Prize, which honours one grassroots activist from each of the six inhabited continents.

"Seven grassroots environmental activists were awarded the Goldman Environmental Prize on 29<sup>th</sup> April. Known as the 'Green Nobel Prize', the Goldman Prize honours activists from the six continental regions.

"This year's winners include two Indigenous activists who stopped destructive seismic testing for oil and gas off the Eastern Cape in Africa, an activist who protected a forest in India from coal mining, an organiser who changed California's transportation regulations, a journalist who exposed links between beef and deforestation in Brazil, an activist who blocked development of a coal mine in Australia, a professor of philosophy of law who led a campaign which resulted in legal rights to an ecosystem in Spain.

"There is no shortage of those who are doing the hard work, selflessly. These seven leaders refused to be complacent amidst adversity, or to be cowed by powerful corporations and governments', John Goldman, president of the Goldman Environmental Foundation, said in a statement. 'Alone, their achievements across the world are impressive. Together, they are a collective force – and a growing global movement – which is breathtaking and full of hope.'

"Here are the winners of the 2024 Goldman Environmental Prize:

- Nonhle Mbuthuma\*\*, and Sinegugu Zukulu, South Africa
- Alok Shukla, India
- Andrea Vidaurre, U.S.
- Marcel Gomes, Brazil
- Murrawah Maroochy Johnson, Australia
- Teresa Vicente, Spain

More: <https://news.mongabay.com/2024/04/meet-the-2024-goldman-environmental-prize-winners/>

Source: Orion, 3<sup>rd</sup> May 2024

Editor: Inspiring stories. \*\* See also [https://e360.yale.edu/features/nonhle-mbuthuma-interview-of-2<sup>nd</sup> May 2024](https://e360.yale.edu/features/nonhle-mbuthuma-interview-of-2nd-May-2024). ©

## What NZ Can Learn from the First ESRS-Aligned Sustainability Statements

"The European Sustainability Reporting Standards (ESRS) are already having a global impact. They are another signpost of the trends towards more mandatory corporate disclosures that comparable, consistent and decision-useful. According to MFAT, China is looking to the ESRS as inspiration for its own disclosure regime and some US companies are also starting to apply it.

"Ex-Proximanaut and reporting specialist, Calum Revfem, will highlight what Kiwi businesses can learn from the first wave of companies applying this higher standard.

"Calum will cover:

1. Brief introduction to core ESRS elements which are valuable for any reporting organisation
2. How ESRS has changed sustainability disclosures, for the better
3. Application and best practice – what NZ organisations can learn from the first ESRS-aligned reports
4. Global impact of the regulations and real-world implications for NZ organisations

When/Where: Thurs 23<sup>rd</sup> May, 4:00 – 5:00 pm NZST. Online

More: <https://events.humanitix.com/global-implications-of-the-esrs-reporting-regime>

Source: Simon Harvey, 1<sup>st</sup> May 2024. ©

## Protecting New Zealand's Competitive Advantage

"A new report has revealed the pressure on New Zealand exporters to keep up with international expectations on sustainability, with more than 80% of New Zealand's exports by value now going to countries with mandatory climate-related disclosures either in force or proposed.

"The report, *Protecting New Zealand's Competitive Advantage*, by Chapman Tripp for The Aotearoa Circle is a point-in-time snapshot which focusses on two key trends:

- New climate and sustainability reporting requirements including climate-related disclosures (CRD); and
- Emerging trade measures which relate to climate change and sustainability.

"An example of the latter is the EU's Carbon Border Adjustment Mechanism, in force since late 2023, which now imposes a cost on embedded emissions in certain carbon-intensive exports to the EU. Measures like this in various jurisdictions are anticipated to levy the carbon cost differential between domestically produced products and imports, depending on their carbon footprint and the equivalence of emissions regulation in their country of origin.

"Chapman Tripp Partner and report co-author Nicola Swan says the extent of the changes and how fast they are happening may come as a surprise to some. 'The fact more than 80% of New Zealand's exports by value are now going to countries with CRD either in force or proposed presents a challenge to exporters and their supply chains. New Zealand is heavily dependent on trade and offshore capital – we cannot afford to fall behind on increasing global demands for reporting on climate risk, GHG emissions and broader ESG capability.'

"As well as trade measures and local regulations, those requirements may include clauses in free trade agreements (FTAs) which focus on climate and environmental standards.....

**More:** [www.scoop.co.nz/stories/BU2404/S00404/protecting-new-zealands-competitive-advantage-new-report-reveals-scale-and-pace-of-changes-facing-our-exporters.htm](http://www.scoop.co.nz/stories/BU2404/S00404/protecting-new-zealands-competitive-advantage-new-report-reveals-scale-and-pace-of-changes-facing-our-exporters.htm) plus [www.theaotearoacircle.nz/reports-resources/protecting-new-zealands-competitive-advantage](http://www.theaotearoacircle.nz/reports-resources/protecting-new-zealands-competitive-advantage) 34 pages 8.84Mb and [www.nzherald.co.nz/business/new-report-revelation-about-fast-growth-of-climate-demands-on-nz-traders/REZDNWCRYFGDBNT2UJPSXSCYYM/](http://www.nzherald.co.nz/business/new-report-revelation-about-fast-growth-of-climate-demands-on-nz-traders/REZDNWCRYFGDBNT2UJPSXSCYYM/) [Paywall]

**Source:** *NZ Herald*, page A19, 30<sup>th</sup> April 2024. 

## For Home Energy, It Pays to Go Electric

"Have you ever thought about the energy sources you use to power your home?

"While we use electricity for the day to day running of a household, in New Zealand there is also widespread use of fossil fuels like piped gas or LPG for heating, hot water and cooking. And most of us fuel our cars with petrol or diesel.

"Many of us are not aware with the latest home appliance technology, and of course EVs, you can now expect the same or better performance from electric options. And, depending on your situation, it can work out cheaper in the long run.

"It's worth looking at the numbers, so when your appliances break down, or next time you're in the market for an upgrade, you'll know what your options are and how the costs stack up.

"The good news is – we've done the math on both cost and emissions savings. Read


Continued next column

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on to explore how your household might stand to benefit from going electric.

**More:** <https://genless.govt.nz/for-everyone/at-home/https://genless.govt.nz/for-everyone/at-home/choose-good-appliances/hot-water-heat-pumps/>  
<https://genless.govt.nz/for-everyone/at-home/choose-good-appliances/induction-cooktops/>  
<https://genless.govt.nz/for-everyone/at-home/electrify-your-home-and-garage/>  
<https://genless.govt.nz/for-everyone/at-home/explore-solar-energy/rooftop-solar/>  
<https://genless.govt.nz/for-everyone/at-home/heat-and-cool-efficiently/heat-pumps/>  
<https://genless.govt.nz/for-everyone/on-the-move/consider-electric-vehicles/why-buy-an-ev/>

**Source:** Gen Less, 23<sup>rd</sup> April 2024.

**Editor:** The examples seem to refer to households of 3 or more people and payback periods of around 15 years. Consider if your home may be demolished or renovated in less than the payback period. 

## Climate Change Commission Consultation

"We are encouraging all New Zealanders to have their say about how to tackle climate change over the coming decades.

"We have launched a public consultation, closing 31<sup>st</sup> May, to help develop advice to the Government.

"On .... Tuesday 21<sup>st</sup> May, we are holding public webinars where you can learn about the work we are consulting on and ask questions.

"Climate Change Commission Chief Executive Jo Hendy and Commission staff will discuss how we developed our work. There will also be breakout sessions where you'll be able to ask questions and focus on specific topics.

"If you are unable to attend, the webinars and breakout sessions will be recorded. ....

"About the consultation. Our role is to provide independent advice to the Government. The purpose of the public consultation – which runs from 8<sup>th</sup> April to 31<sup>st</sup> May – is to help chart Aotearoa New Zealand's path to a climate resilient, low emissions society and economy.

"The three pieces of work we will be consulting on are:

- Draft advice for the fourth emissions budget period (2036–2040), and potential revision of emissions budgets one, two, and three
- A discussion document on the review of whether emissions from international shipping and aviation should be included in the emissions reduction target
- A discussion document on the inaugural five-yearly review of the emissions reduction target.

**When/Where:** Per above

**More:** <https://climatechange.commission.cmail19.com/t/t-e-ethurx-euljkrb-m/> Includes web sites for the 3 bulleted points

**Source:** Climate Change Commission, 12<sup>th</sup> April 2024. 

## In Passing – A 23<sup>rd</sup> Birthday

On 6<sup>th</sup> May 2001 the first edition of the precursor to *Sustainability Matters* was published. The occasion is possibly worthy of a small mention and a wee celebration. Thank you to long time and recent subscribers and all in between. If it were not for you the newsletter would not exist. For how much longer? That's for pondering.

**Source:** Editor, 7<sup>th</sup> May 2024. 