

# Sustainability Matters

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Business achieving a tomorrow for tomorrow's children

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## Reporting on Climate-related Commitments

The AASB, in collaboration with CPA Australia and CA ANZ, hosted a Dialogue Series session titled *Financial Reporting on Climate-related Commitments* on Friday, 3<sup>rd</sup> May 2024.

The webinar used a case study for the discussion and to help to illustrate complex and challenging issues for reporting and accounting of carbon and nature where those commitments are made public. It is still early days. Among the issues raised is there not being enough [good quality] carbon offsets in the world to offset the volume of offsets likely to be sought [and at an affordable price].

The discussion has some similarities to aspects of the article '*Significant Climate Change Reporting Issue: Liabilities in Financial Accounts of the New Zealand Government*' in the 9<sup>th</sup> May edition of *Sustainability Matters*.

**More:** [www.youtube.com/watch?v=GFP2MWA1rxM](https://www.youtube.com/watch?v=GFP2MWA1rxM) 1hr 12min with auto generated transcript. 84 views as at 20<sup>th</sup> May

**Source:** Karen McWilliams, CA ANZ, Weekly Digest for Climate & Sustainability, 20<sup>th</sup> May 2024.

## A Powerful, Articulate, Lucid Statement by Activist to BIG Oil and Gas

"What phenomenal strength and confidence. Here's one powerful voice on fossil fuel extraction in the UK's Rosebank oilfield. ....

"But really Lauren offers a real challenge to all of us still protecting the extractive polluting 'business as usual' strategies we know we must scale down, at pace. Thanks for your clear articulation Lauren.

**More:** [www.linkedin.com/feed/update/urn:li:activity:7196823536471031808/](https://www.linkedin.com/feed/update/urn:li:activity:7196823536471031808/) 4min 20sec 157 comments. Plus [www.thenational.scot/news/24317062.activists-protest-equinor-agm-norway-rosebank-oil-field/](https://www.thenational.scot/news/24317062.activists-protest-equinor-agm-norway-rosebank-oil-field/) and the outcome in this instance [www.reuters.com/sustainability/climate-energy/equinor-agm-rejects-resolution-align-strategy-with-climate-goals-2024-05-14/](https://www.reuters.com/sustainability/climate-energy/equinor-agm-rejects-resolution-align-strategy-with-climate-goals-2024-05-14/)

**Source:** Rachel Brown, LinkedIn, 17<sup>th</sup> May 2024

**Editor:** See also [www.theguardian.com/business/article/2024/may/16/chevron-to-sell-off-its-remaining-north-sea-oil-and-gas-fields](https://www.theguardian.com/business/article/2024/may/16/chevron-to-sell-off-its-remaining-north-sea-oil-and-gas-fields)

## UN Expert Attacks 'Exploitative' World Economy in Fight to Save Planet

"The race to save the planet is being impeded by a global economy which is contingent on the exploitation of people and nature, according to the UN's outgoing leading environment and human rights expert.

"David Boyd, who served as UN special rapporteur on human rights and the environment from 2018 to April 2024, told the Guardian that states failing to take meaningful climate action and regulating polluting industries could soon face a slew of lawsuits. ....

"I can't get people to bat an eyelash. It's like there's something wrong with our brains which we can't understand just how grave this situation is."

**More:** [www.theguardian.com/world/article/2024/may/07/un-expert-human-rights-climate-crisis-economy](https://www.theguardian.com/world/article/2024/may/07/un-expert-human-rights-climate-crisis-economy)

**Source:** *atAdvocacy*, 8<sup>th</sup> May 2024.

## Closing the Gap: Hidden Emissions and Untapped Potential of Buildings to Reduce Costs and Deliver for Carbon Budgets

"Improving buildings could save New Zealand almost \$40 billion and slash emissions equivalent to taking half our country's petrol cars off the road.

"A new report just released by the New Zealand Green Building Council (NZGBC) shows introducing policies to improve building standards, phase out gas, and make energy use transparent could save 93,000kt of emissions by 2050.

"Buildings offer a massive opportunity to slash emissions while also helping reduce costs for Kiwi families and businesses. As New Zealand is bound by law and international trade agreements to reduce our emissions in line with the Paris Agreement, our buildings are a key lever', says Andrew Eagles, NZGBC chief executive.

"The Climate Change Commission has warned we're way off meeting our second 2030 emissions target. These basic policies will reduce emissions equivalent to taking 600,000 cars off the road in the next five years, accounting for a third of the reductions we need.'

"Importantly, the policies come at little-to-no cost to the Government. Rather, the report found the emissions saved by introducing those low-cost policies could be worth between \$19 billion and \$39 billion by 2050.

"Without real, emission-busting policies like the ones we're proposing, New Zealand will have no choice but to pay billions of taxpayer dollars for international carbon offsets – effectively funding other countries to reduce emissions', Andrew Eagles says.

"Just last week New Zealand's electricity sector went into panic-mode as winter peak threatened to outstrip supply. Energy performance certificates and improvements to the building code have the additional benefit of reducing demand. ....

**More:** <https://nzgbc.org.nz/news-and-media/improving-buildings-could-save-new-zealand-almost-40-billion-and-slash-emissions-equivalent-to-taking-half-our-countrys-petrol-cars-off-the-road> 28pages 6Mb

**Source:** NZGBC, 16<sup>th</sup> May 2024.

## The Mass Timber Revolution and its Hidden Impact on Our Carbon Footprint

"New Zealand has a unique opportunity to lead the charge in sustainable construction practices, particularly in the realm of mass timber. ....

"Mass Engineered Timber [MET], used in large-scale construction projects, is gaining traction globally. Overseas trends include automated design, government and organisational RFPs specifying timber or Zero Carbon solutions, recognition of reduced embodied carbon, changes in international codes allowing for taller wooden structures, and significant investments by industry players. .... [Article refers to NZ examples incl. new Tauranga Council building.]

**More:** <https://architecturenow.co.nz/articles/building-change-the-mass-timber-revolution-and-its-hidden-impact-on-our-carbon-footprint/>

**Source:** *SBC Weekly Pānui*, 9<sup>th</sup> May 2024.

## Key Results from CA ANZ's 2024 Climate and Nature Member Survey

"The survey results highlighted financial risks and opportunities associated with climate and nature reporting. We [CA ANZ] are committed to supporting members in practice to pursue climate-related activities.


"The *2024 Climate and Nature Annual Member Survey* was designed to assist CA ANZ to understand members' knowledge, activities, support needs and views in relation to sustainability-related financial reporting. The survey results highlighted key industries, demographics, concerns and areas of improvement which will shape CA ANZ's climate and nature activities over the next 12 months, with a focus to support our members across business and practice.

"The accounting profession will be pivotal to the delivery of useful, high-quality, credible, and comparable sustainability-related information. We also recognise the role the profession plays in the identification, assessment and planning around climate and nature-related risks, opportunities and building capacity. ....

"The survey results show 1 in 3 members are unaware of any sustainability-related developments and associated reporting frameworks, at both the domestic and international levels. ....

**More:** [www.charteredaccountantsanz.com/news-and-analysis/insights/opinion/key-results-from-the-2024-climate-and-nature-member-survey](http://www.charteredaccountantsanz.com/news-and-analysis/insights/opinion/key-results-from-the-2024-climate-and-nature-member-survey) 35 pages 1.41Mb

**Source:** *CA ANZ Regional News*, 13<sup>th</sup> May 2024

**Editor:** Survey responses were from 519 members drawn from a pool of 6,145 invited to participate of an overall membership of 136,000+ globally. Broadly similar findings and trends might be applicable to members of other professional bodies? 

## Corporate Climate Watchdog Document Deems Carbon Offsets Largely Ineffective

"Staff at an influential corporate climate action group whose board announced a plan to allow companies to offset greenhouse gas emissions from their supply chain with carbon credits has now found such offsets are largely ineffective, a confidential preliminary draft reviewed by Reuters shows.

"At stake is the growth of the still nascent market for voluntary carbon offsets. While they are used by some of the world's biggest companies, including ....

"The Science-based Targets initiative (SBTi), a U.N.-backed nonprofit which audits the emission reduction plans of companies, triggered a revolt among staff last month [April] by declaring its intention to allow use of carbon credits prior to concluding its research on them.

"Since then, the SBTi's board of trustees has issued a clarification to state it had not yet changed its policy and any decisions would be 'informed by the evidence'.

"The findings in the SBTi staff document seen by Reuters have not been previously reported. They are based on a review of evidence in scientific papers and other submissions by interested parties in a consultation.

"The findings are subject to further analysis and review, including from the Scientific Advisory Group, a panel comprising climate scientists from around the world. If upheld, they would represent a major obstacle to SBTi's board of trustees adopting carbon offsets as part of companies' emission reduction plans. ....

**More:** [www.reuters.com/sustainability/corporate-climate-watchdog-document-deems-carbon-offsets-largely-ineffective-2024-05-09/](http://www.reuters.com/sustainability/corporate-climate-watchdog-document-deems-carbon-offsets-largely-ineffective-2024-05-09/)

**Source:** *Sustainable Switch*, 10<sup>th</sup> May 2024. 

## Escaping Capitalism: How to Replace the 'Logic' of Psychopaths, Pharma Bros, and Private Prisons

"Capitalism ruins SO many things, from key sectors like college sports all the way down to novelties like people's health and the environment. Jason, Rob, and Asher rely on their keen insight and otherworldly investigative talents to somehow unearth a few flaws of capitalism. But rather than wallow in the world of profiteering and privatisation, they explore the solidarity economy and other alternatives to the 'greed is good' way of running things.

**More:** [www.resilience.org/stories/2024-05-08/crazy-town-episode-87-escaping-capitalism/](http://www.resilience.org/stories/2024-05-08/crazy-town-episode-87-escaping-capitalism/) Podcast 1hr 11min with transcript and suggested reading

**Source:** Post Carbon Institute, 9<sup>th</sup> May 2024. 

## Global Accounting Alliance Commissioned Report on Corporate Natural Capital Accounting

"A new report published by the Global Accounting Alliance (GAA) underlines the important role which corporate natural capital accounting (CNCA) can play in helping businesses to build resilience and value through nature-positive action – and how accountants are well-placed to help drive uptake of CNCA across the market.


"This report marks another step towards the integration of nature into business practices, highlighting the crucial role of the accounting profession' said Karen McWilliams FCA, Sustainability and Business Reform Leader at Chartered Accountants Australia and New Zealand. 'The GAA and its member bodies are committed to continuing the momentum, setting the direction for how the profession can engage with and advance the use of CNCA going forward.'

"CNCA has emerged against a backdrop of rising global concern over the economic and societal impacts of nature loss – as well as increased pressure on businesses to contribute to nature's recovery and report transparently to stakeholders. This is driving a surge in demand for consistent, credible, comparable, and auditable nature-related data – a challenge the accounting profession is well placed to help address.

"The GAA-commissioned report, led by a team from ERM Sustainability Institute – with support from the The Biodiversity Footprint company, IDEEA Group and eftec – builds on a previous working paper 'Time to Take Stock', which set out proposals for what a standardised CNCA approach might look like in practice and identified gaps to be addressed.

"Companies have begun implementing CNCA (nearly 40 have been identified in this research), often publishing results. CNCA can help to improve nature-related data processing so it can be more readily and widely applied to business decisions (e.g. in risk analysis, strategy, investment planning and reporting). ....


**More:** [www.linkedin.com/pulse/gaa-commissioned-report-corporate-natural-capital-accounting-knafo-4vsbc/](http://www.linkedin.com/pulse/gaa-commissioned-report-corporate-natural-capital-accounting-knafo-4vsbc/) plus <https://globalaccountingalliance.com/wp-content/uploads/2024/05/GAA-CNCA-Workshops-Final-Report.pdf> 25pages 801Kb

**Source:** Karen McWilliams, LinkedIn, 11<sup>th</sup> May 2024. 

## Fossil-Free Fashion Scorecard 2024

"The 2024 update assesses 11 apparel and footwear companies' insufficient efforts to eliminate fossil fuels from supply chains, manufacturing, shipping.

**More:** <https://stand.earth/press-releases/new-fashion-scorecard-finds-brands-continue-to-burn-fossil-fuels-evade-accountability-on-renewable-energy-efforts/> 31pages 6.91Mb

**Source:** Stand Earth, 11<sup>th</sup> May 2024. 

## A Fast Track to Environmental Degradation

"Sir Geoffrey Palmer, former Prime Minister, King's Counsel and author of the book *Unbridled Power* challenging Muldoon-era decision-making, says the Fast-Track Approvals Bill is a bigger threat to constitutional government

"Comment: New Zealand Cabinet ministers are full of ambition. They want to achieve things and they want to achieve them fast. For 45 years various ministers have made repeated efforts to improve New Zealand's resource management legislation, but these efforts have not succeeded. The Fast-track Approvals Bill 2024 is the latest attempt, and it looks likely to end up being a Fast Track to nowhere. .... [This is a lengthy erudite article followed by several excellent comments. A **must read.**]

**More:** <https://newsroom.co.nz/2024/05/20/a-fast-track-to-environmental-degradation/>

**Source:** Editor, 21<sup>st</sup> May 2024.

## Adverse Impacts of WW1 Could Last Up To 10,000 Years

"In some parts of France, World War I has never ended. These are the Zones rouges – an archipelago of former battlegrounds so pockmarked and polluted by war that, more than a century after the end of hostilities, they remain unfit to live or even farm on.

"WWI was the first industrial war and a laboratory for all kinds of military innovations, including the first use of tanks and poison gas. Both the German and the Allied war machines belched out deadly explosives and lethal chemicals on a massive scale. It is estimated around 60 million shells rained down near Verdun during the fierce battles over that city in 1916 – of which 15 million didn't explode upon impact. ....

"In 1919, these red zones covered around 690 square miles (1,800 sq km). Here, the ground remained saturated with unexploded ordnance. High concentrations of heavy metals and chemicals in the soil further increased the risk to life and limb. For reasons of safety and sanitation, these areas were strictly off-limits for housing, farming, and even forestry. ....

"Today, the red zone archipelago has shrunk to about 40 square miles (100 sq km), about the size of Paris. Yet it's unlikely these islands will disappear soon. They are the most tenacious residue of a long-lasting environmental problem.

"Each year, farmers in former red zones plough up an 'iron harvest' of close to 900 tons of unexploded ordnance. Near Verdun, road signs point to dumping grounds where they can leave these shells for the authorities to collect. ....

"France's Sécurité Civile, which is charged with removing them, estimates at current rates, it could take up to 700 years to completely clear all remaining WWI shells and grenades from France's soil.....

"And then there are the gases, acids, and other chemicals polluting the soil – in some parts, the ground still contains so much arsenic that nothing will grow. In less affected areas, biologists still note the lack of floral and faunal diversity related to the pollution, which some estimate may take about 10,000 years to clear.

"WWI was supposed to be the 'War to End All War'. That went... less well than could have been hoped for. One of the lessons not learned from that conflict is modern wars have long-lasting impacts on health and the environment. ....

"Drinking water ....

"Mushrooms, game meat, food cooked over wood ....

"Wild boars ....

**More:** [www.atlasobscura.com/articles/red-zones-in-france](http://www.atlasobscura.com/articles/red-zones-in-france)

**Source:** *The Weekly Genealogist*, NEHGS, 9<sup>th</sup> May 2024

**Editor:** There are of course broadly similar impacts in Vietnam, Cambodia and likely many other places.

## Mindful Money Conference & Awards 2024

"Following the success of the Mindful Money Conference and Awards over the past three years, we are excited to announce an innovative and exciting approach in 2024 - Building Community and Celebrating Excellence.

"Attendees at previous conferences have particularly remarked on the way the event has built community across ethical and impact investing – to learn, share, discuss, and network across the investment and finance world.

"We will do this more intentionally this year. The 2024 conference aims to bring together the key actors in ethical and impact investment and accelerate the growth of positive impact investing into the fund's management mainstream.

"Following the conference, the fourth annual Mindful Money Awards ceremony will take place, honouring funds and individuals leading the movement to establish responsible investing as the new standard and positioning impact investing at the progressive forefront.

"Panel discussion: Mobilising Investment for Homes

"Panel discussion: Ramping up investment in Renewables

"Roundtables with experts: Discussion, sharing, and exploring collaboration

**When/Where:** Wed 12<sup>th</sup> June, 2:00pm – 7:30pm. Auckland

**More:** <https://events.humanitix.com/mindful-money-conference-and-awards-2024>

**Source:** SBN, 8<sup>th</sup> May 2024.

## Tucson Is Planting a Million Trees with Pinpoint Accuracy

"A system which scrutinises everything from residents' ages to unemployment rates ensures the city's trees end up in the neighbourhoods needing them most. ....

"We're not just planting trees', we're planting equity.'

**More:** <https://reasonstobecheerful.world/tucson-million-trees-equity/>

**Source:** reasons to be cheerful, 9<sup>th</sup> April 2024

**Editor:** Much higher densities of new housing on small sections and narrow subdivision roads in NZ do not lend themselves to the planting of trees. What will be the climate heating, wellbeing and water runoff implications?

## XRB Establishes Sustainability Reporting Board

"The External Reporting Board has established a new technical committee, the Sustainability Reporting Board (SRB), to sit alongside its other existing technical committees: the Accounting Standards Board and the Auditing and Assurance Board.

"The Sustainability Reporting Board will provide technical advice to the XRB on topics including New Zealand Climate Standards and the development of a voluntary, non-financial reporting framework. It will work closely with international and jurisdiction-level standard setting bodies to ensure strong alignment in the rapidly evolving sustainability reporting landscape.

"Becky Lloyd has been appointed as Chair, Joe Hanita as Deputy Chair and XRB Board member Jacqueline Cheyne will also be a member to ensure strategic coherence with the overall work of the XRB. ....

"The SRB will take effect 1<sup>st</sup> June and in time will have approximately 7 members in total – including a representative from Australia.

**More:** [www.xrb.govt.nz/news/pitopito-korero](http://www.xrb.govt.nz/news/pitopito-korero)

**Source:** Debbie Kandauw, CA ANZ, Weekly Digest for Climate & Sustainability, 3<sup>rd</sup> May 2024.

## World Economy Already Committed to Income Reduction of 19% Due to Climate Change

"Even if CO2 emissions were to be drastically cut down starting today, the world economy is already committed to an income reduction of 19% until 2050 due to climate change, a new study published in 'Nature' finds. These damages are six times larger than the mitigation costs needed to limit global warming to 2°C. Based on empirical data from more than 1,600 regions worldwide over the past 40 years, scientists at the Potsdam Institute for Climate Impact Research (PIK) assessed future impacts of changing climatic conditions on economic growth and their persistence.

"Strong income reductions are projected for the majority of regions, including North America and Europe, with South Asia and Africa being most strongly affected. These are caused by the impact of climate change on various aspects which are relevant for economic growth such as agricultural yields, labour productivity or infrastructure", says PIK scientist and first author of the study Maximilian Kotz. Overall, global annual damages are estimated to be at \$38 trillion, with a likely range of \$19-\$59 trillion in 2050. These damages mainly result from rising temperatures but also from changes in rainfall and temperature variability. Accounting for other weather extremes such as storms or wildfires could further raise them. ... .. [See graphic]

**More:** [www.pik-potsdam.de/en/news/latest-news/38-trillion-dollars-in-damages-each-year-world-economy-already-committed-to-income-reduction-of-19-due-to-climate-change](http://www.pik-potsdam.de/en/news/latest-news/38-trillion-dollars-in-damages-each-year-world-economy-already-committed-to-income-reduction-of-19-due-to-climate-change)

**Source:** Rachel Brown during her quarterly update 16<sup>th</sup> May at [www.youtube.com/watch?v=vcFIUUpD6M](https://www.youtube.com/watch?v=vcFIUUpD6M) 'Some areas will lose up to 30% of their income in coming years and we see countries staggering when they are in 3% recession'.

## Creating a Sustainability Literate Workforce

"Extreme weather events; critical change to earth systems; biodiversity loss and ecosystem collapse; and natural resource shortages rank as the top four global risks over the next ten years, according to the World Economic Forum's *Global Risks Report 2024*.

"Though these risks are increasingly recognised by businesses, demonstrated by growing numbers of corporate sustainability commitments, and the increasing incorporation of sustainability into core business strategies, sustainability teams remain under-resourced and siloed, and therefore unable to drive the organisational change needed. These risks present enormous challenges for both businesses and society as a whole. Solutions to these challenges requires organisation wide cooperation and innovation, with all roles prioritising sustainability actions and enablers.

"By engaging, educating, and inspiring employees across organisations to act on sustainability issues, companies can build upon the efforts of professional sustainability teams and rise to these challenges. Supporting employees to understand the role they can play within their job and society will be critical in ensuring sustainability forms a part of an organisation's culture.

"To support companies in fostering a culture of sustainability to achieve their sustainability targets, the UN Global Compact Network UK is hosting a session which will look at the different avenues and methods for educating, inspiring, and enabling action among all employees, regardless of their role.

**When/Where:** 12<sup>th</sup> June, 2024, 1:00 – 2:15AM NZT. Online

**More:** [www.unglobalcompact.org.uk/creating-a-sustainability-literate-workforce-webinar/](http://www.unglobalcompact.org.uk/creating-a-sustainability-literate-workforce-webinar/)

**Source:** UN Global Compact Network UK, 8<sup>th</sup> May 2024.

## THE FUTURE IS NOW: Biodiversity, Climate and Us

"Environmental Defence Society 2024 conference will dig deeply into the twin challenges of climate change and biodiversity loss, what is at stake for the nation, and where the solutions lie.

"We are living in the midst of a biodiversity crisis. Much of our flora and fauna is unique, having evolved on these islands over millennia. Regular environmental reporting shows it is declining, and we now have 4,000 or so species threatened or at risk of extinction.

"Political consensus on reform is absent. The new [NZ] government is rolling back many of the existing protections for our natural world and will likely make things worse. This mid-year environmental summit is a well-timed opportunity to critique the government's approach as its reform agenda becomes clearer.

"We are also living in the midst of a climate crisis. Until recently, climate change was seen as a future threat. But the proliferation of extreme weather events here and across the planet has changed that perception in an alarmingly short space of time. Climate change has arrived with a vengeance and is now part of our lives. ....

**When/Where:** Mon 10<sup>th</sup> June – Wed 12<sup>th</sup> June. Christchurch

**More:** <https://web.cvent.com/event/ebd162fe-61b0-4f86-9469-64fe1b1d39ac/summary>

**Source:** SBN, 8<sup>th</sup> May 2024.

## Navigating the Impacts Of Climate Change on Occupational Health And Safety

"Hot on the heels of an El Niño Summer, we've all felt the irrefutable implications of climate change.

"Our webinar explores how the changing climate affects workers safety and health. From extreme weather patterns and the resulting knock-on effect of a wavering landscape, we're all having to adapt to the possibility of a future which is vastly different from what is familiar to us.

"How do you then, as a Health and Safety leader, translate these concerns when it comes to bracing your workplace and people for the inevitable impact this will have? .....

"You'll gain insights into practical solutions and considerations for Health and Safety professionals which can help shape and transform your approach to climate change with actionable insights that you can begin to implement in your own organisation.

**When/Where:** Webinar recording

**More:** [www.ecoport.com/webinars/climate-change-ohs-impact/recording](http://www.ecoport.com/webinars/climate-change-ohs-impact/recording)

**Source:** ecoPortal, 9<sup>th</sup> May 2024.

## Tracking Illicit Brazilian Beef from the Amazon to Your Burger

"In the *e360* interview, we talk with journalist Marcel Gomes about how he and his colleagues at Repórter Brasil traced beef sold in the U.S. and Europe to Brazilian ranches on illegally deforested land. Their investigations spurred six of Europe's biggest retailers to curb imports of Brazilian beef. Gomes, who last month won a Goldman Environment Prize, says Brazil must now stop the laundering of illicit beef.

"In theory there are rules to prevent the trading of cattle from illegal to legal areas', he says. 'But in practice it is very easy to do.'

**More:** <https://e360.yale.edu/features/marcel-gomes-interview>

**Source:** *Yale Environment 360*, 10<sup>th</sup> May 2024.

**Editor:** Interview canvasses much more than beef.