Drivers for sustainability assessment and reporting and potential responses

FORESTWOOD CONFERENCE

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Outline

- Sustainability Assessment and Reporting

- The New Zealand Sustainability Dashboard project

Drivers for Sustainability Assessment and Reporting

- Market
- Regulatory
- Business

THE JUNGLE OF SUSTAINABILITY CLAIMS

Green labels?
- Climate neutral
- Energy-smart
- Bird-friendly (coffee)
- Dolphin-free (tuna)
- Forest stewardship
- Integrated production
- Green food
- Organic, etc.

Numerous best-practices exist but many are single focused

There is often no agreed threshold of what is green, nor scientific agreement

In practice, legal requirements provide the threshold

Sustainability Standards - Forestry

🌀 UNITC Standards Map (200+ standards)

- Forestry (38 standards/programmes)
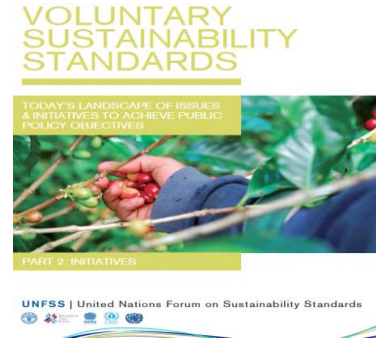 - Australia and Oceania (23 Standards/programmes), NZ (13 Standards/programmes)

Forestry Standards– scope comparison

Requirements per sustainability area

Legend: Environmental, Social, Management, Quality, Ethics
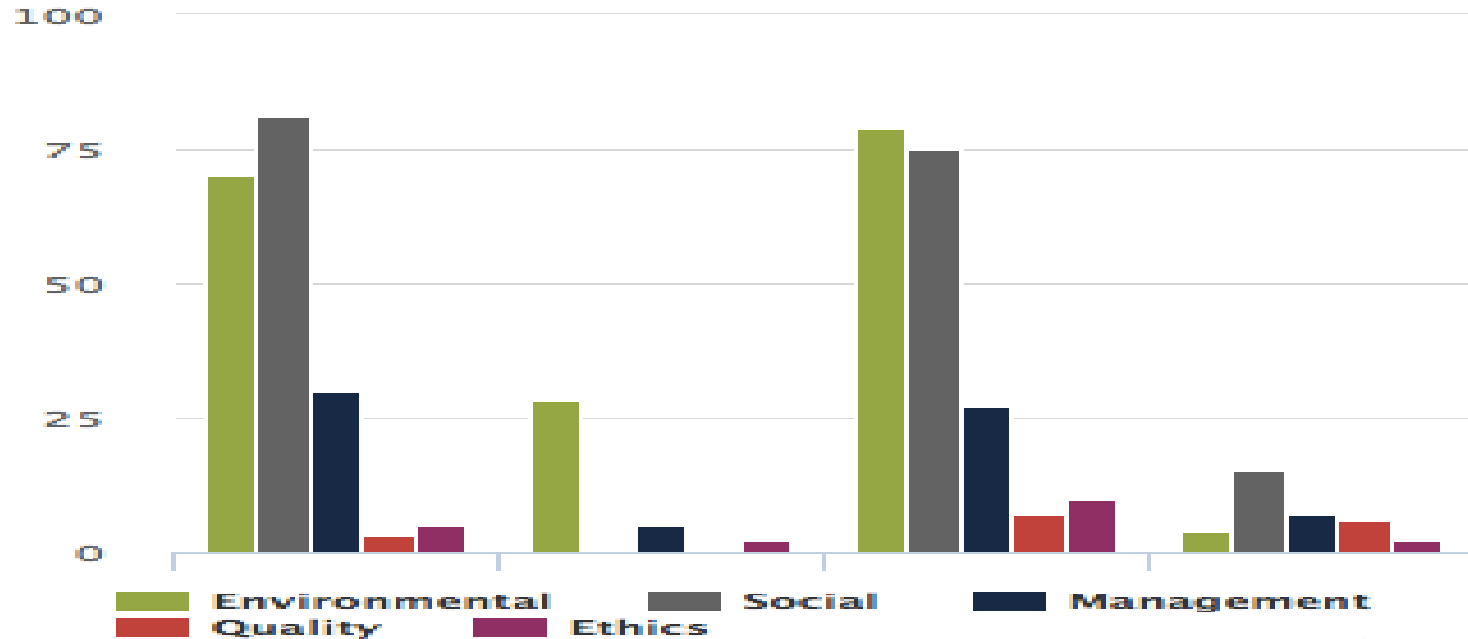
Market – trends?

- International - harmonisation
  - Sustainability reporting becoming normalised
  - FAO SAFA, UN Forum on Sustainability ITC Standards Map, GS1, FSC
  - Sustainability Consortium
- Retailer signals – often more defined/objective criteria for sustainability assessment
- NGO`s - buying guides/programmes/influence
- Consumer - sustainability attributes - *Maximising Export Returns project*

Sustainability Consortium

Sustainability Issues △ ▾

| Category Name △ ▾	Climate and energy	Community rights	Consumer health and safety	Deforestation	Disposal and end-of-life	Land and soil	Packaging	Pollution	Transportation & logistics	Water	Workers	Grand Total
Books and Magazines	3	1		1	1	1		2	1	1	3	8
Copy Paper	3	1		5	1	1		4	1	1	2	13
Dimensional Lumber	1	1		3		1		2			2	7
Disposable Paper Food and Drink Containers	3	1	2	2	2	1		4	1	1	3	13
Fibrous Wood Panels	2	2	1	4	1	2		3			1	3	10
Greeting Cards	2	1		1	1	1		2	1	1	3	7
Household Papers	2	1		5	1	1	2	4			1	2	14
Stationery Paper	2	1		1	1	1		2	1	1	3	7
Structural Wood Products	2	2		4	1	2		3	1	1	3	9
Wooden Furniture	2	2	2	4	1	2		4		1	4	12
Grand Total	23	14	5	33	10	14	2	33	6	10	31	108

Maximising Export Returns Project

- Consumer Surveys: UK, Japan, China, Indonesia and India

- Quota sample with minimum of 1,000 middle and upper income consumers in each country who shop regularly and have heard of New Zealand.

- Survey questions to assess consumer attitudes and preferences towards a number of key attributes in food and beverages.

- Choice experiment with these respondents to evaluate consumers Willingness to Pay (WTP) for attributes in food and beverages.

Importance of attributes in timber, pulp/paper
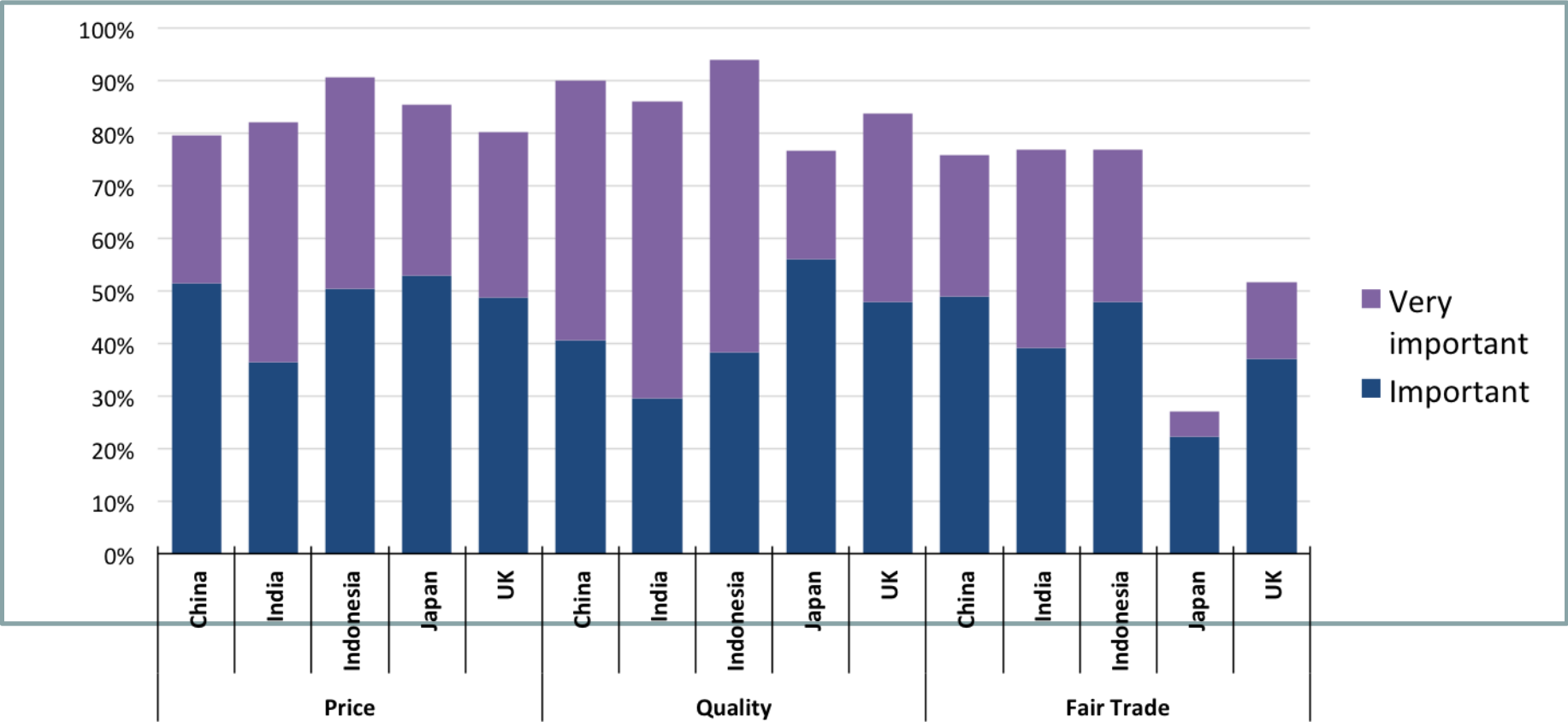
Importance of attributes – timber, pulp/paper(continued)
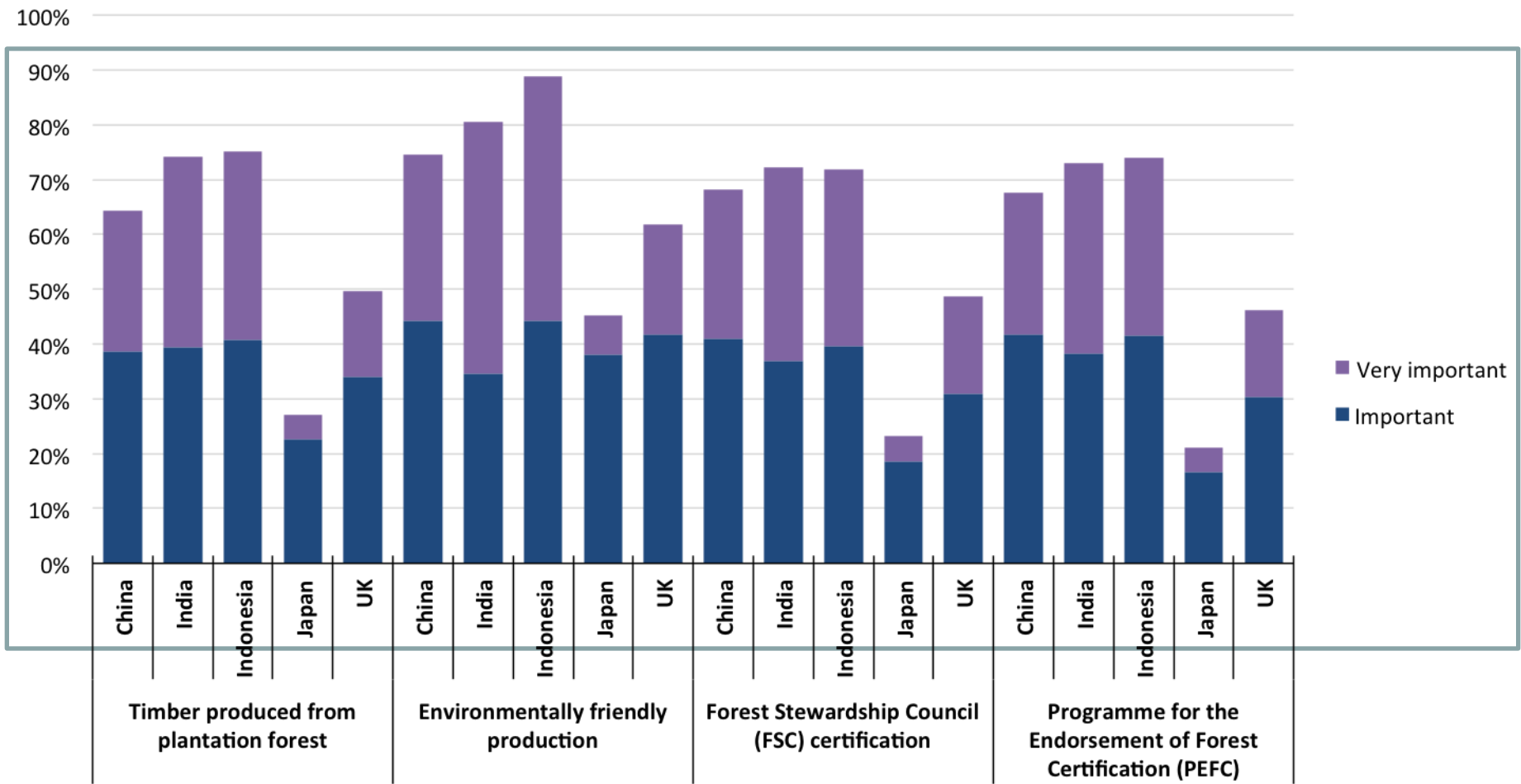
Importance of factors associated with environmental condition in supply chain

- Air and water quality most important
- Japan: recycling
- Protecting endangered species for the UK and Indonesia
- Wilderness important in China but not the other countries

Importance of factors associated with social responsibility in supply chain

- Workplace safety and good working conditions ranked most important

- Fair wages especially in India, Indonesia and Japan

- Least important is freedom to join union

Digital media & smart technology use

Survey questions on consumer attitudes and behaviours towards the use of digital media and smart technology in information gathering and purchasing of food and beverages.

What percentage of your shopping is done online?
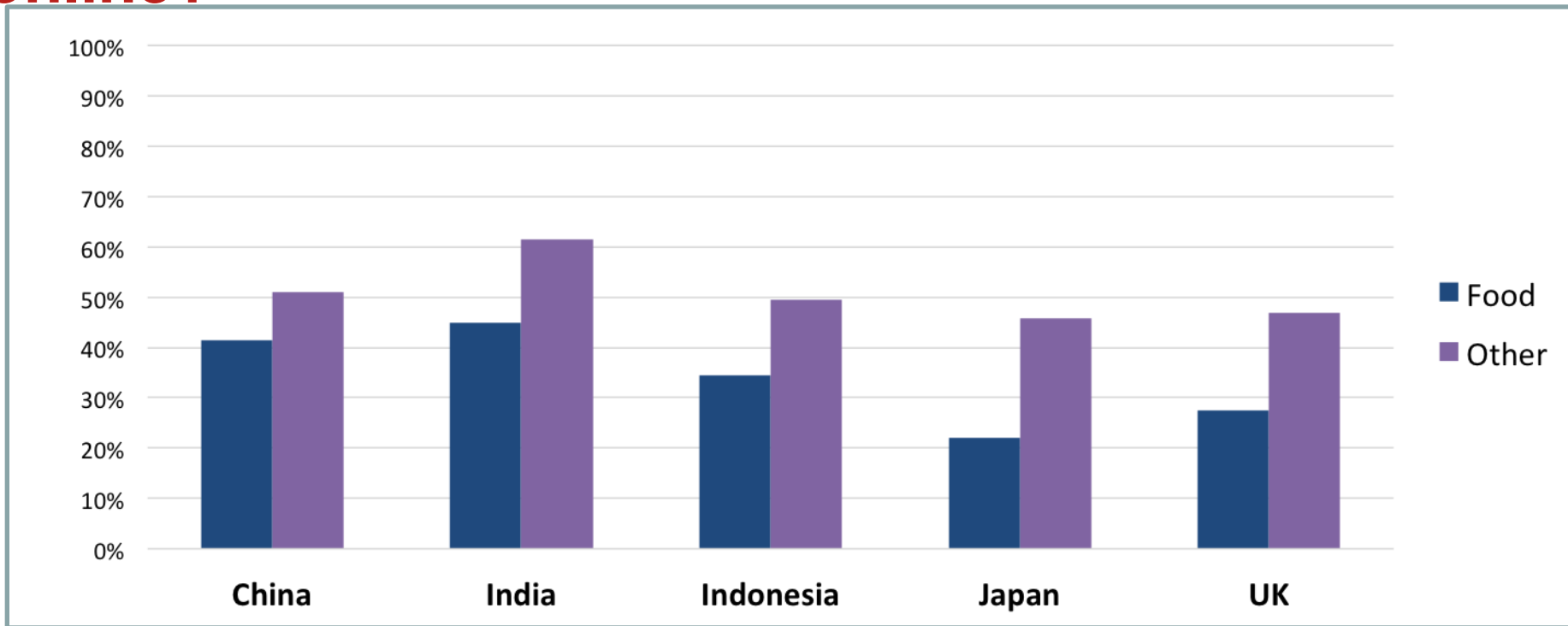
Regulatory

- International
    - EU PEF, ENVIFOOD
    - OECD

- New Zealand
    - Resource consents
    - Nutrient and water management
    - Other regulations – Labour, Health/Safety

Business

- Resource use optimisation – water, energy, pesticides, fertiliser
- Business improvement through monitoring business KPIs
- Risk management - decreased liabilities –labour, product quality, regulatory
- Transparency and responsibility – `social license to operate

Outline

- Sustainability Assessment and Reporting

- The New Zealand Sustainability Dashboard project (NZSD)
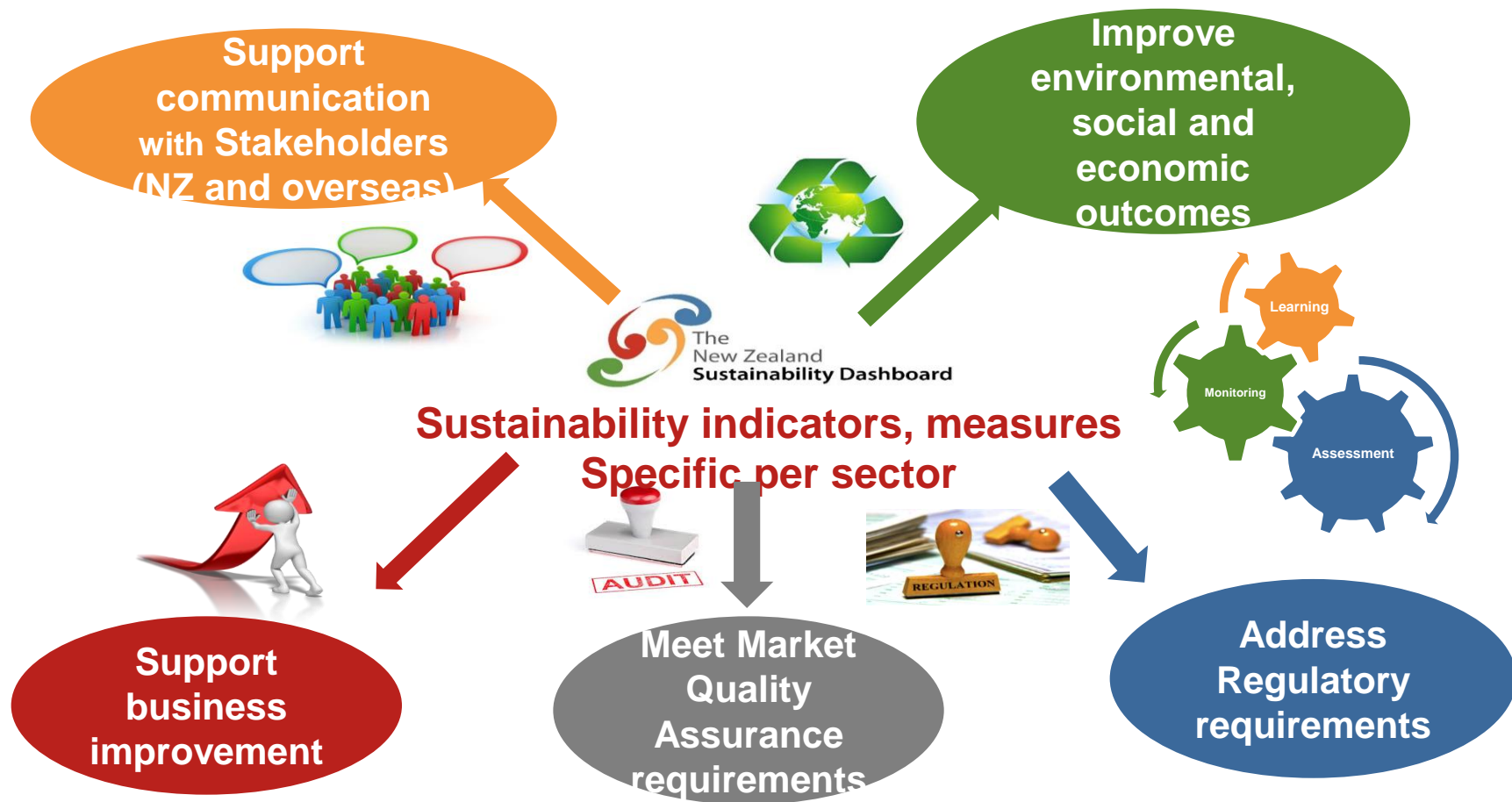
NZ Sustainability Dashboard project
Project Objectives for a 6 year program

- Develop on-line, user-friendly, tools to facilitate sustainability assessment and reporting.

- Meet market and regulatory demands.

- Enhance management decision making, and improve overall sustainability.

The New Zealand Sustainability Dashboard
Main benefits of the Sector specific Dashboards

Support communication with Stakeholders (NZ and overseas)

Improve environmental, social and economic outcomes

Sustainability indicators, measures Specific per sector

Support business improvement

Meet Market Quality Assurance requirements

Address Regulatory requirements

NZSD Research Team

NZSD Main Case Studies

The New Zealand Sustainability Dashboard – The main features of the Dashboard per sector

Tools for learning

Decision support, risk assessment and power analysis modules

Monitoring & reporting system

Protocols & software for collecting, analysing & reporting data

Sustainability assessment framework

Indicators and measures used to assess whether goals are met
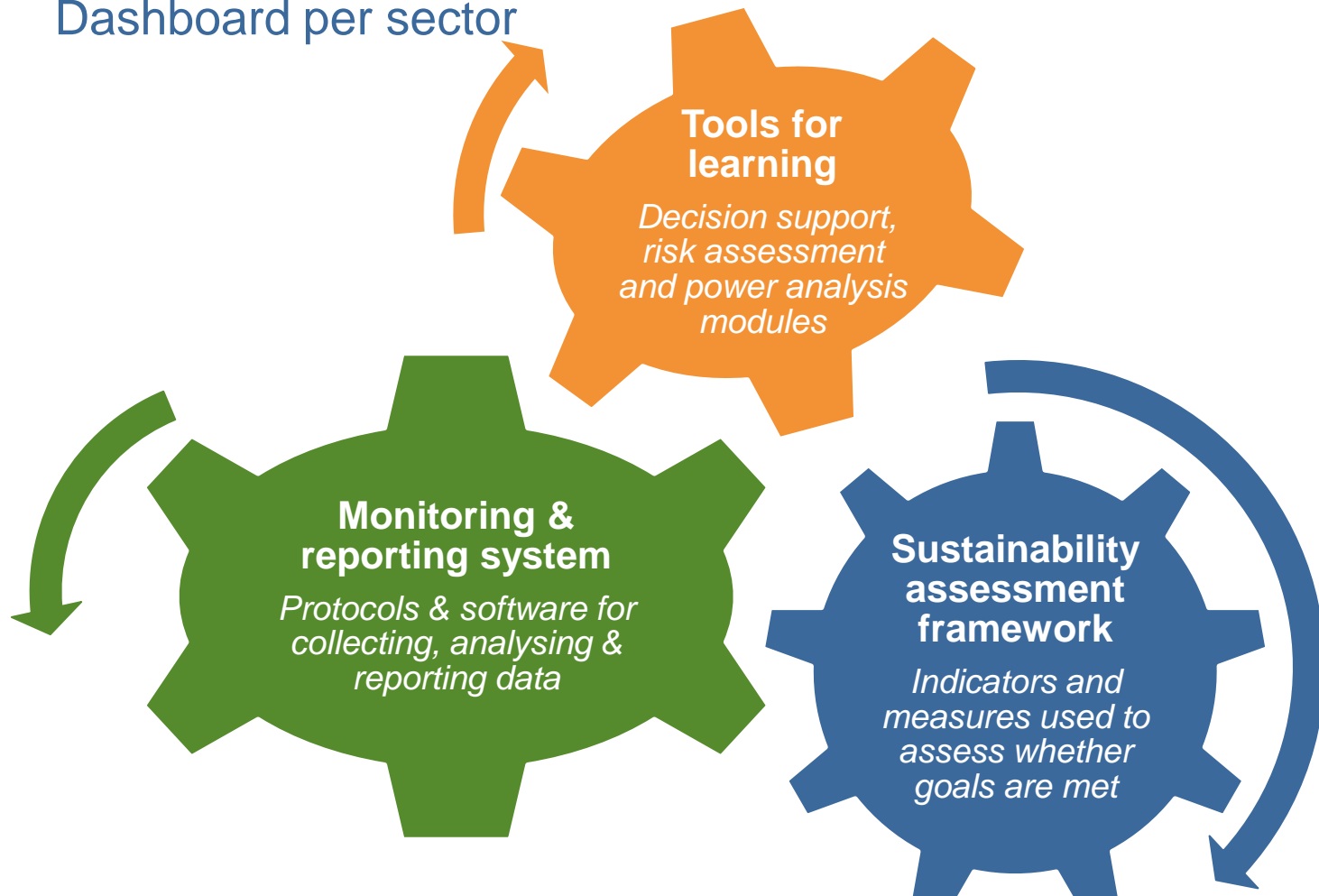
Structure of the NZSD

Sustainability goal for New Zealand's production landscapes
(defined by society's needs and values)

	GOOD GOVERNANCE	ECONOMIC RESILIENCE	AGRO-ENVIRONMENTAL INTEGRITY	SOCIAL WELL-BEING
GOALS	Overarching goal for each pillar			
OUTCOMES	Critical components for achieving goals			
OBJECTIVES	Key factors contributing to targeted outcomes			
INDICATORS	Parameters that can be addressed in relation to an objective			
MEASURES	Information gathered to inform indicator			

NZSD project – Kiwifruit Case study

One Dashboard – 3 user types

- Orchard
- Packhouses
- Industry-level (Zespri)
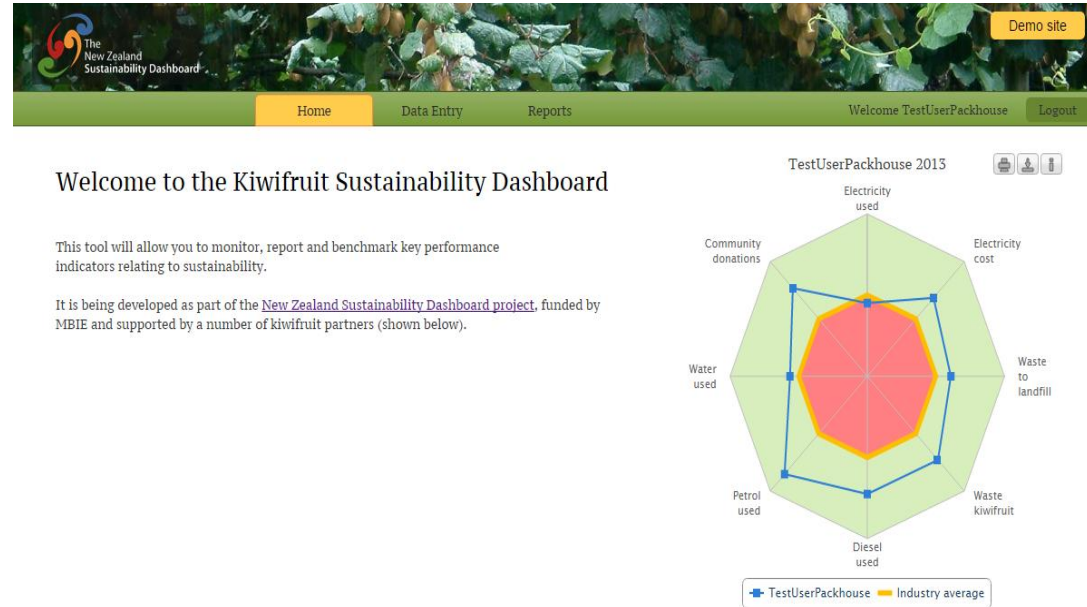
NZSD project – Wine Case study

New tool WiSE (Wine industry Sustainability Engine) launched in June 2014

SWNZ Scorecards, 95% of Industry

NZSD project – Wine Case study

National and Individual Reporting for vineyards and wineries on water, energy and Agrichemicals

NZSD Forestry Case Study Research Objectives

- PhD – Courteney Sealy, Joint Ngai Tahu Research Centre/Scion supervision

- Fine tuning NZ sustainability responsiveness

- Do existing SFM assessment and reporting frameworks validate Maori commercial forest operations?

- Where are the areas of cultural difference and convergence?

Research Rationale

Commercial Planation Forests and Land

Economic / Environmental / Social Values

Sustainable Forest Management Frameworks

Cultural Consideration

Preliminary Results

 Definite correlation between Māori organisational values and international sustainable forest management objectives; and

 Some disparities with the current reporting of these objectives.

QUESTION	REPORTED	VALUED
1	✓	✓
2	X	✓
3	x	✓
4	x	✓
5	x	✓
6	✓	✓
7	x	✓
8	x	✓
9	x	✓
10	x	✓
11	x	✓
12	x	✓
13	✓	✓
14	✓	✓
15	X	✓
16	X	✓
17	X	✓
18	X	✓
19	X	✓
20	X	✓
21	X	✓
22	X	✓
23	X	✓
24	X	✓
25	X	✓
26	X	✓
27	X	✓
28	X	✓
29	X	✓

Summary

- Sustainability assessment and reporting
    - Multiple drivers – responses need to be tailored to meet specific market/regulatory/business needs
    - Increasing international standardisation of responses
    - Increasing cynicism of `Greenwash'.
    - Need for continual monitoring of drivers - fine tuning responsiveness

Summary

- Forestry

  - Sustainability Assessment and Reporting less important for commodities – increasing importance for added value products

  - NZ forest industry has a very good sustainability story e.g carbon, water, social impacts

  - FSC and verification initiatives (illegal logging) – excellent resources to support enhanced marketing of sustainability attributes

  - Further information at http://www.nzdashboard.org.nz/