

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

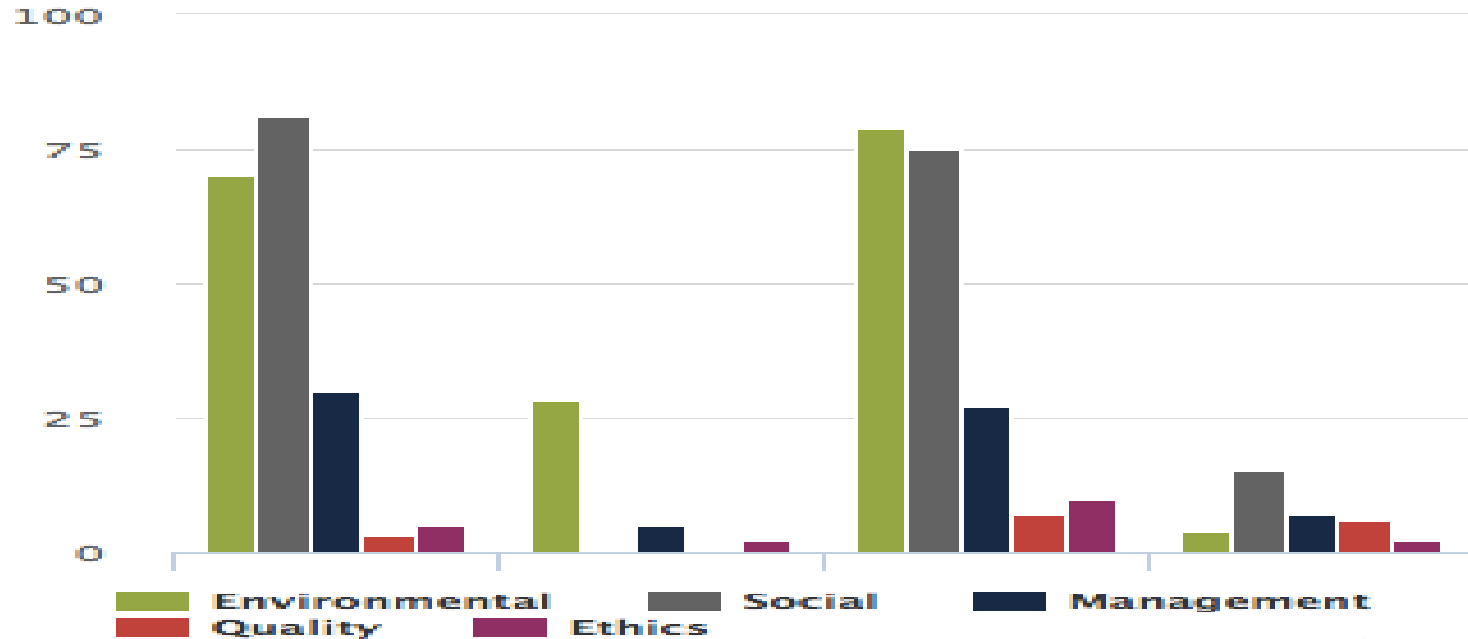
Sustainability Standards - Forestry

- UNITC Standards Map (200+ standards)
 - Forestry (38 standards/programmes)
 - Australia and Oceania (23 Standards/programmes), NZ (13 Standards/programmes)



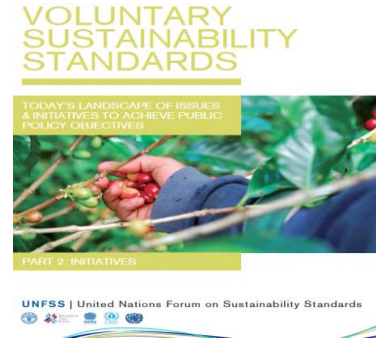
Forestry Standards– scope comparison

Requirements per sustainability area



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



Clothing Footwear and Textiles



Electronics



Food, Beverage, and Agriculture



General Merchandise



Home and Personal Care



Packaging



Paper, Pulp, and Forestry



Specialty Toolkits

Dimensional Lumber Category Sustainability Profile

Version 03.00.10.003



Introduction

This Category Sustainability Profile (CSP) details key performance indicators (KPIs) that can be used to track and measure the sustainability performance of a brand manufacturer, as well as the set of science-based environmental and social hotspots that support the KPIs. The Sustainability Consortium® (TSC®) has created this CSP through its multi-stakeholder development process with members and partners, including manufacturers, retailers, suppliers, service providers, NGOs, civil society organizations, governmental agencies, and academics, each bringing valuable perspectives and expertise.

TSC is a global organization dedicated to improving the sustainability of consumer products that also offers a portfolio of services to help drive effective implementation. For more information please visit www.sustainabilityconsortium.org.

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About the Dimensional Lumber Product Category

This Category Sustainability Profile is part of a Product Sustainability Toolkit produced by The Sustainability Consortium. This Toolkit defines dimensional lumber as sawn timber from both hardwood and softwood species that is cut in pre-defined sizes for use in construction and home products such as furniture and flooring. This excludes treated wood products such as fence posts, rails, poles, and pilings, as well as engineered wood products.

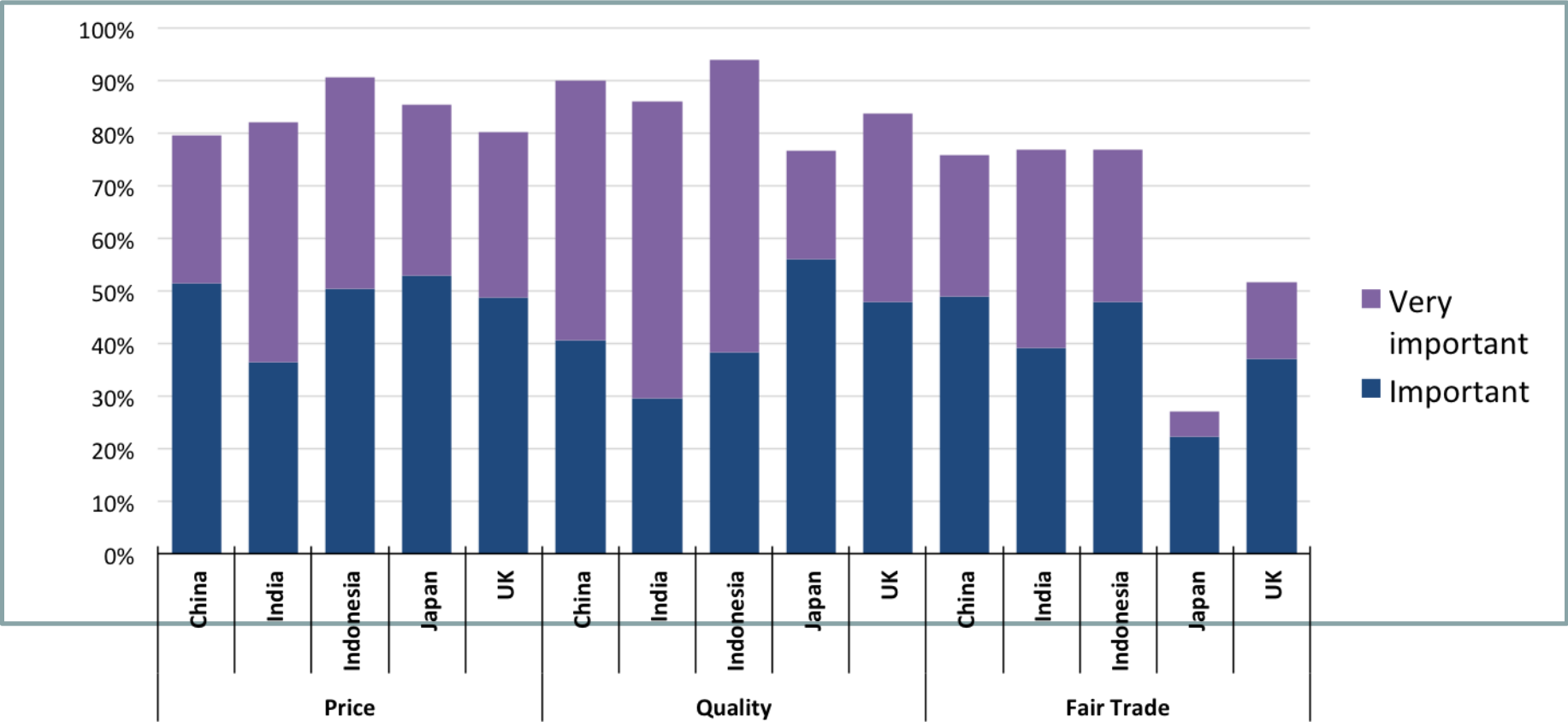
This Category Sustainability Profile is relevant for global markets.

| | | | | | | | | | | | | |
|---|---|------------------|----------------------------|---------------|--------------------------|---------------|-----------|-----------|----------------------------|-------|---------|-------------|
| Count | 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 |

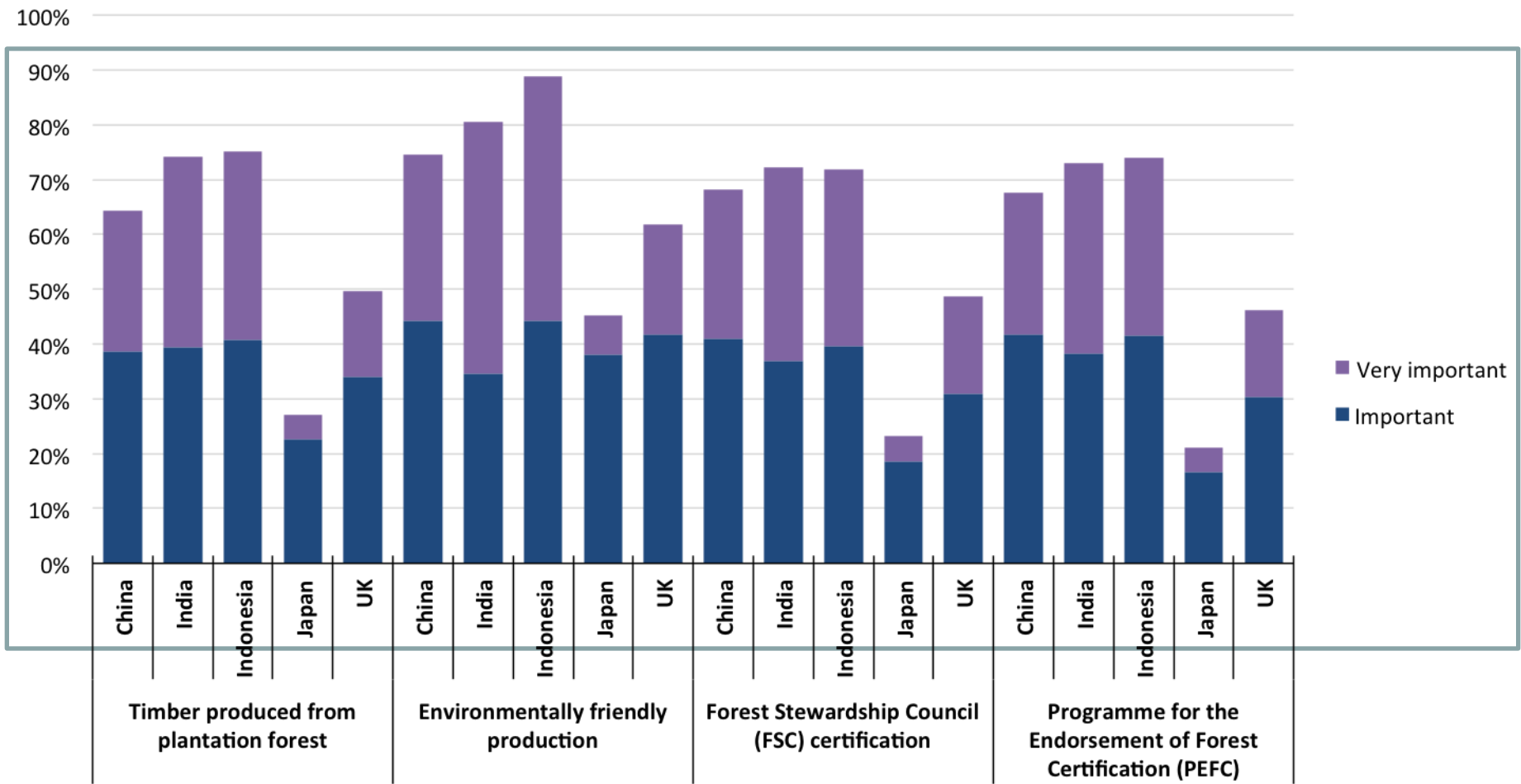
Maximising Export Returns Project

- 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

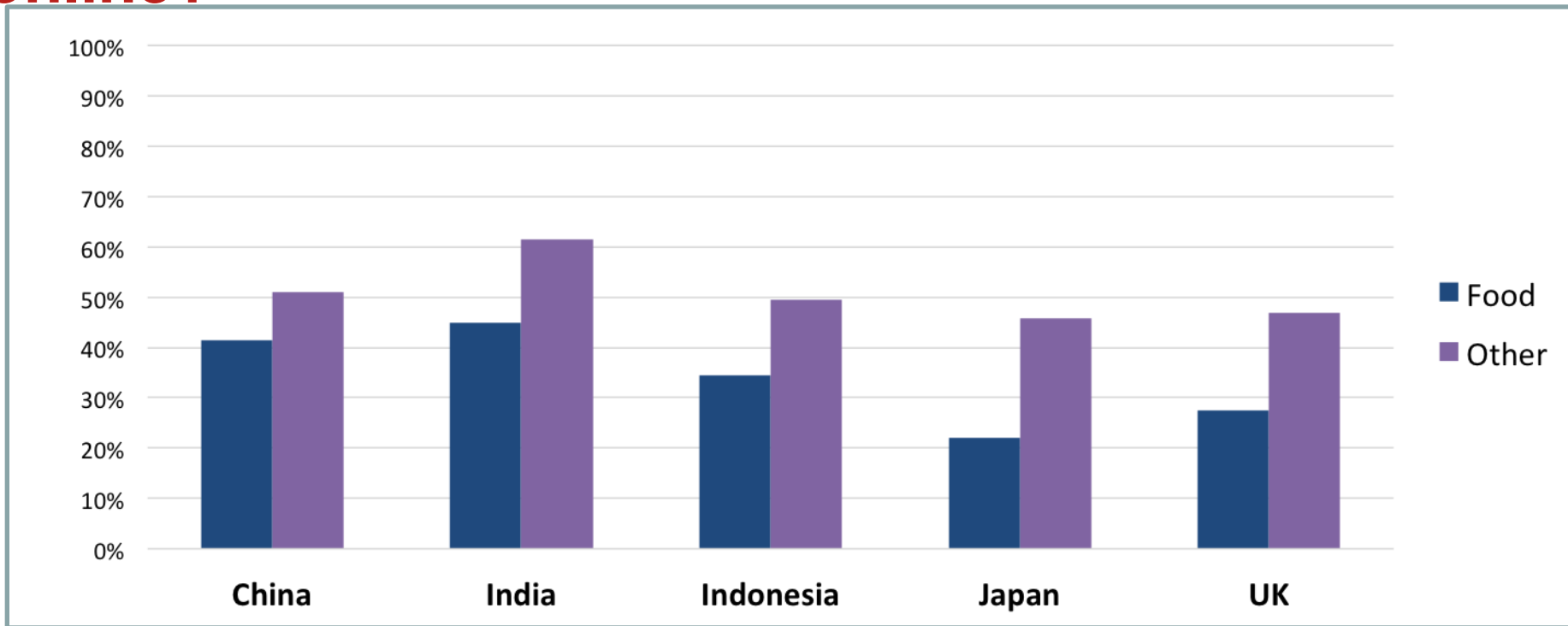
- Workplace safety and good working conditions ranked most important
- Fair wages especially in India, Indonesia and Japan
- Least important is freedom to join union

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

Brussels, XXXX
[...](2013) XXXX draft

ANNEX

ANNEX II : PRODUCT ENVIRONMENTAL FOOTPRINT (PEF) GUIDE

to the

COMMISSION RECOMMENDATION

on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations

EUROPEAN FOOD
SUSTAINABLE CONSUMPTION & PRODUCTION
ROUND TABLE

ENVIFOOD Protocol
*Environmental Assessment of
Food and Drink Protocol*



**Environment at a Glance
2013**
OECD INDICATORS



 OECD

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

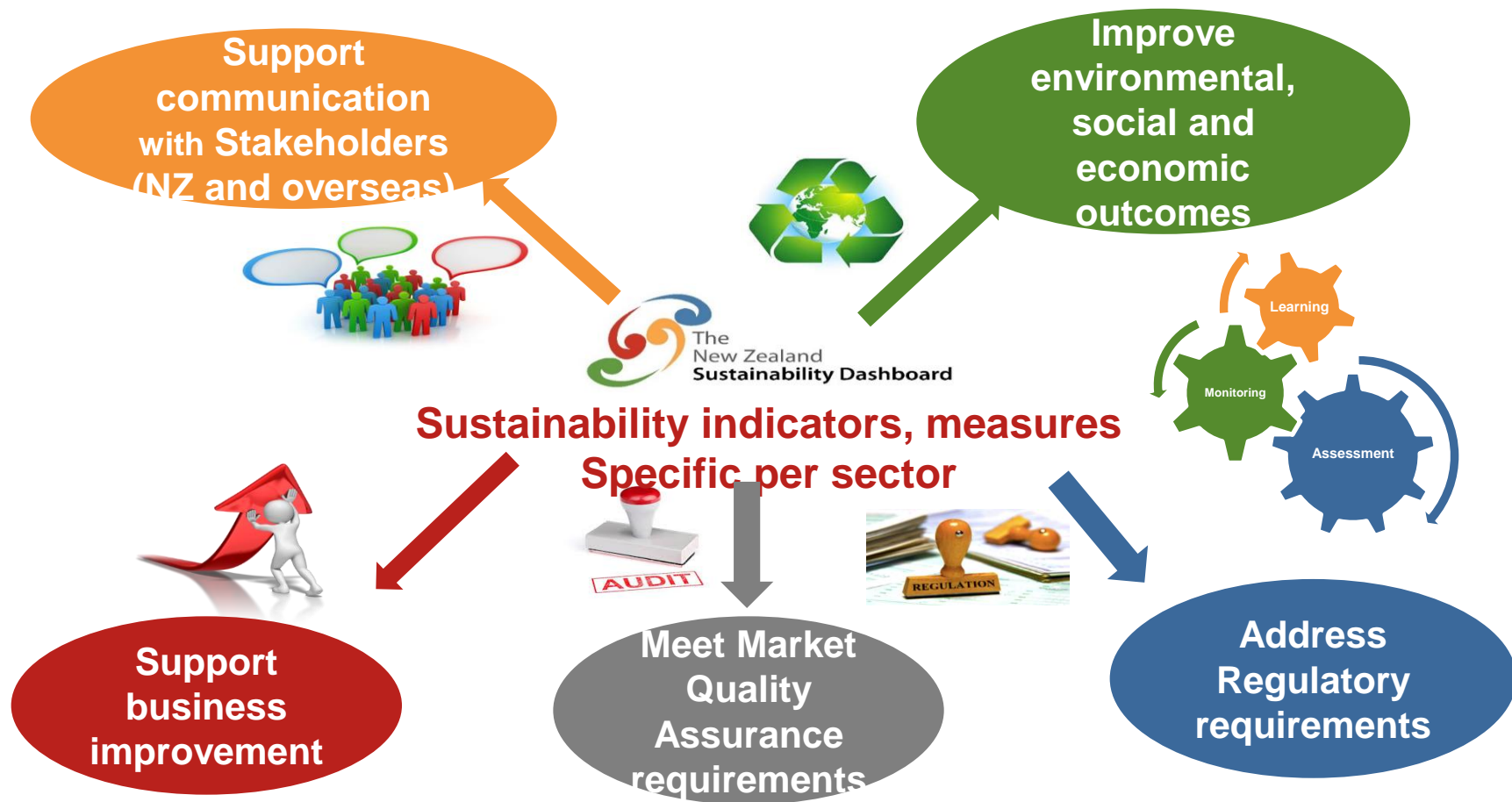
Project Objectives for a 6 year program

- 🌀 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



NZSD Research Team



UNIVERSITY
of
OTAGO

Te Whare Wānanga o Otāgo
NEW ZEALAND



Lincoln University
Te Whare Wānaka o Aoraki
AOTEAROA • NEW ZEALAND

New Zealand's specialist land-based university

**Ecosystems
Consultants**



Te Rūnanga o NGĀI TAHU



**The
AgriBusiness
Group™**

SCION 
forests • products • innovation

 **memia**

 **LINCOLN
AGRITECH^{LTD}**



**Landcare Research
Manaaki Whenua**



NZSD Main Case Studies

Wine partners



NEW ZEALAND WINE
PURE DISCOVERY



Maori partner



Te Rūnanga o NGĀI TAHU

Forestry



Organic partner



Kiwifruit partners



Increasing Grower Profit



TE AWANUI
Ki Te Whai Ao



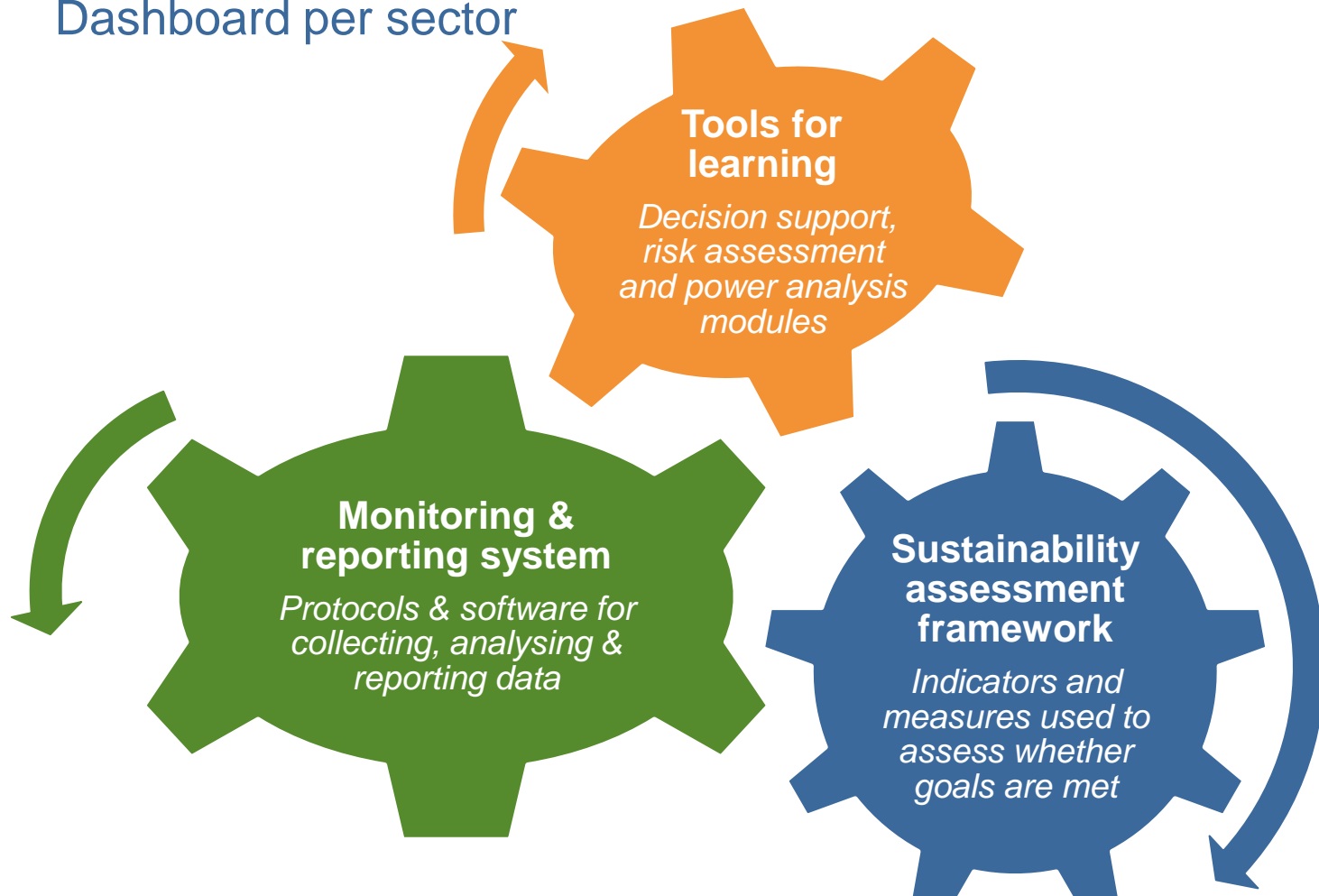
Other Industry partners

Aquaculture
New Zealand





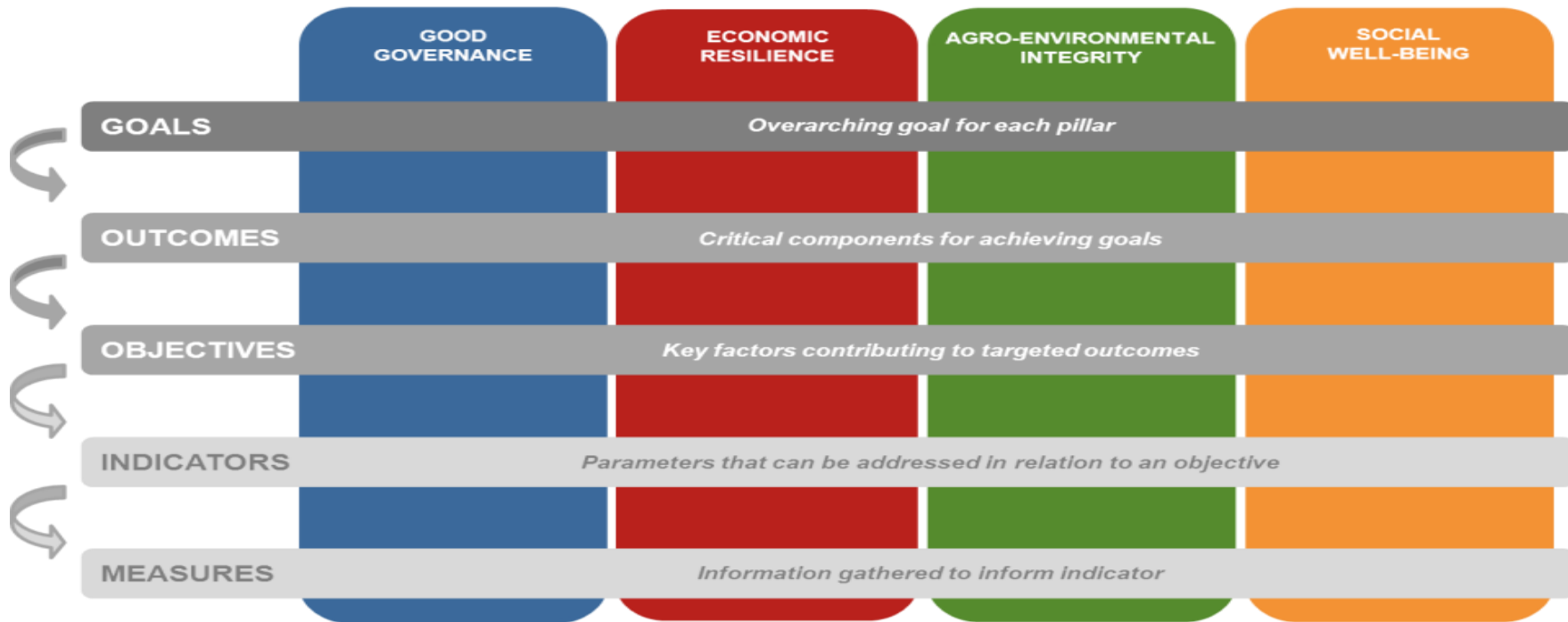
The New Zealand Sustainability Dashboard – The main features of the Dashboard per sector



Structure of the NZSD



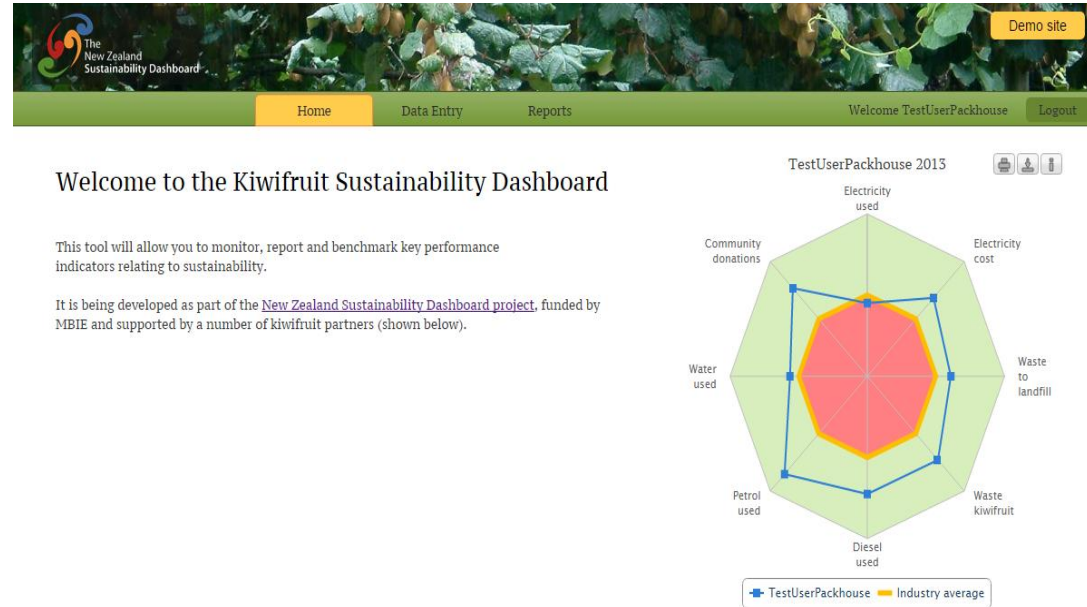
Sustainability goal for New Zealand's production landscapes
(defined by society's needs and values)



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

Reference Group Testing [5... x] Google

https://wine.sofi-hosting.com/module.php?pto[area]=home

SendIt

NEW ZEALAND WINE
PURE DISCOVERY

Data Entry Reports Management Setup Administration Help

Dashboard 1 Welcome KB Area Test Tonnage Andrew Barber

Welcome!

Sustainable Winegrowing NZ Gateway
Recording, Supporting and Improving your Sustainability Story

Please provide your testing feedback to Philip Manson on pmanson@nzwine.com by close of business Monday 7th April

Sustainable Winegrowing NZ is an integral part of the future of wine production in New Zealand. It is a proactive environmental management system that enables the production of high quality wine by employing environmentally responsible and economically viable processes in vineyards and wineries.

The program aims to combine the best existing practices with exciting new innovations and techniques, ensuring that the industry will be positioned to meet changing consumer and regulatory demands.

Thank you for your contribution to our combined goals!

If you have any queries, please contact Sally van der Zipp on sally@swnz.org.nz or Sarah Baines on sbaines@swnz.org.nz

NEW ZEALAND SUSTAINABLE WINEGROWING

A test [db table]

| | Single Vineyard 1001 | Single Vineyard 1002 | Total |
|------------------------------|----------------------|----------------------|-------|
| OC 1, Vineyard area | 5.00 | Average | 15.0 |
| OC 2, Production information | 45.0 | Good | 135 |

A test

Calculated 13/05/2014 20:53

Reference Group Testing [5... x] Google

https://wine.sofi-hosting.com/module.php?pto[area]=-data_a

SendIt

NEW ZEALAND WINE
PURE DISCOVERY

Data Entry Reports Management Setup

Data Entry Data Entry

Search 07/13-06/14

TESTING - NZ Winegrowers

- Single vineyard scorecard
 - Single Vineyard 1001
 - VR - Regional
 - V0B - Administration Details
 - V0C - Production Information
 - V1 - Key Documents
 - V3 - Ground-cover Management
 - V4 - Nutrient Management
 - V5 - Frost Protection
 - V6 - Water Management
 - V7 - Plant Protection
 - V8 - Management, Handling and Storage of Haz...
 - V9 - Energy Use
 - V10 - By-product Management
 - V11 - Biodiversity Enhancement
 - V12 - Sustainable Winegrowing NZ Logo Use
 - V0A - Scorecard Declaration and Submission

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 Plantation 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/>