

# **Sustainability – The New Business Paradigm**

**‘Board’s Transformational Strategy for Building a Sustainability Paradigm’.**

**Terry Heymann**

**2<sup>nd</sup> India Gold and Jewellery Summit**

**November 2018**



# Climate change is now a mainstream investment issue

## Allianz is the latest insurer to bank on carbon neutrality

Madeline Cuff

Tuesday, May 8, 2018 - 1:48am

## Europe's Banks Move to Greener Finance in Response to Climate Change Risks

By Anna Hirtenstein | July 12, 2018

BlackRock, the world's largest asset manager, recently made climate risk a top priority in engaging with corporations. It says that all directors of companies facing climate risk – such as mining and oil firms, for example – should “have demonstrable fluency in how climate risk affects the business.”

**The Guardian** 20 February, 2018

Demand for funds that incorporate ESG – environmental, social and governance – factors in their investment approaches is strong and growing across all major asset classes. By November 2017, almost €350bn was being managed in responsible investment funds in Europe – up more than a fifth on a year earlier.

**Financial Times**, April 5, 2018

## Powerful Investors Push Big Companies to Plan for Climate Change

By David S. Rauf on May 3, 2018

**SCIENTIFIC  
AMERICAN.**

# Investors are committed to action on climate change

Declarations by investors to commit to policies/actions on climate change or sustainable energy	Signatories' AUM	Number of Signatories (institutions)	Location
Fossil Fuel Divestment Commitments	USD 5.6 trillion	<b>811</b>	Global
DivestInvest	USD 5.6 trillion	<b>780</b>	Global
Climate Action 100+	USD 26.3 trillion	<b>225</b>	Global
Institutional Investors Global on Climate Change (IIGCC)	EUR 21 trillion	<b>150</b>	Global
Investor Network on Climate Risk and Sustainability	USD 20 trillion	<b>130</b>	US/global
Montreal Climate Pledge	USD 10+ trillion	<b>120</b>	Global
Open letter to world's largest banks	USD 1.8 trillion	<b>100</b>	US/global
Business Alliance for Water and Climate	USD 60 billion	<b>49</b>	Global
Portfolio Decarbonization Coalition	USD 800 billion	<b>32</b>	Global
<u>Declaration of Institutional Investors on Climate-Related Financial Risks</u>	<u>CAD 1.2 trillion</u>	<u><b>30</b></u>	<u>Canada</u>
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Task Force on Climate-related Financial Disclosures (TFCD)			
Supporters of the TFCD	Undisclosed	232	Global
Committed to implement the recommendations of the TFCD	Undisclosed	193+	Global

# One Planet Sovereign Wealth Fund Framework

*The “One Planet Sovereign Wealth Fund Working Group” was established in order to accelerate efforts to integrate financial risks and opportunities related to climate change in the management of large, long-term asset pools*

**Founding members:** Abu Dhabi Investment Authority, Kuwait Investment Authority, Norges Bank, NZSuperFund, Public Investment Fund of Saudi Arabia, Qatar Investment Authority (≈US\$3 Trillion AUM)

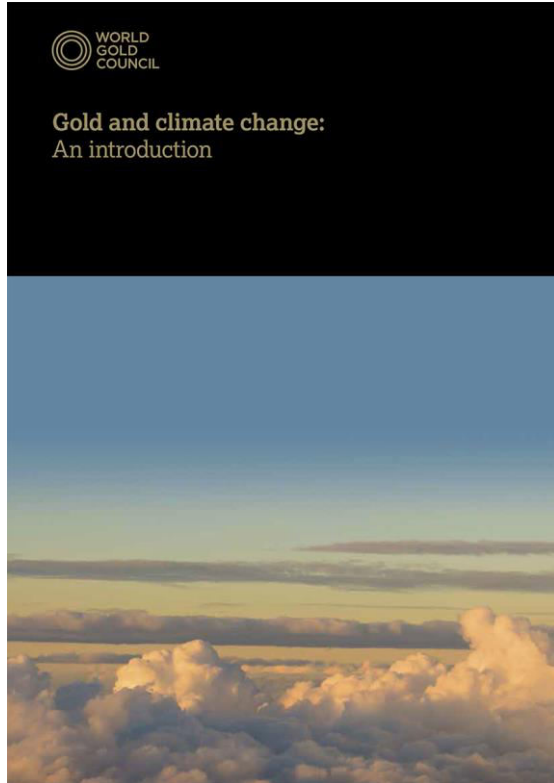
## **Principles:**

- **Alignment**  
Build climate change considerations, which are aligned with the SWFs’ investment horizons, into decision-making.
- **Ownership**  
Encourage companies to address material climate change issues in their governance, business strategy and planning, risk management and public reporting to promote value creation.
- **Integration**  
Integrate the consideration of climate change-related risks and opportunities into investment management to improve the resilience of long-term investment portfolios.

# Implications for the business community

- Pro-actively address investors' interest in climate change
- Understand how the business might impact climate change
  - Consider opportunities to reduce emissions
  - Provide data to help stakeholders better understand the relative impact; and progress already made in addressing climate change risks
- Understand how climate change might impact the business
  - Financial impact through physical and transition risks
  - Reputational impact

# Implications for the gold industry



- Critical to “engage in the dialogue” and make substantive data available:
  - Total global GHG emissions from the gold industry are relatively small and have a limited impact on global climate change.
  - Gold’s emissions intensity is similar to the average for the global economy
- Responsible gold mining companies are seeking to reduce their carbon footprint
- Gold in a nanoparticulate form has considerable potential in a range of applications that can help reduce GHG emissions.

# Gold mining - taking action...



Goldcorp's Borden:  
the all-electric mine  
of the future

Borden electric underground mining vehicle.  
Image courtesy of Goldcorp.



Hydropower keeps  
emissions low at  
Centerra Gold's Kumtor  
mine

Kumtor mine. Image courtesy of Centerra  
Gold.



Solar power  
transforms  
IAMGOLD's  
Essakane mine

Installation of solar panels at Essakane.  
Image courtesy of IAMGOLD.



Award-winning  
optimised ventilation  
system at Barrick's  
Hemlo mine

Hemlo mine. Image courtesy of Barrick.

# And sustainability is not just climate change....



## Responsible Gold Mining Principles Consultation Draft

June 2018

Gold plays a unique role in the global economy and in protecting the financial security of nations, communities and families and in enabling advances in medical, environmental and communication technologies. Public trust is fundamental to the many positive roles that gold plays in society. To maintain and strengthen that trust, as leading gold mining companies we commit to the following Principles:

1. We will conduct our business with integrity including absolute opposition to corruption
2. We will give priority to ensuring safe and healthy workplaces
3. We will respect the human rights of our workforce, and all those people with whom we interact
4. We will ensure that our operations are places where employees and contractors are treated with respect and are free from discrimination or abusive labour practices
5. We aim to contribute to the socio-economic advancement of local communities, to consult with them and to treat them with dignity and respect
6. We will ensure that environmental responsibility is at the core of how we work
7. We will use water efficiently and responsibly and in co-operation with authorities and other users, recognising that access to water is a human right and fundamental ecosystem requirement
8. We support the objectives of the Paris Climate Accord through mitigation of carbon emissions and through efficient energy use
9. We will require high standards of environmental, social and human rights performance in our supply chain

The World Gold Council is developing “Responsible Gold Mining Principles”:

- Sets out clear expectations as to what constitutes responsible gold mining.
- Intended to recognise and frame existing approaches under a single framework, including:
  - UN Global Compact
  - OECD Guidelines for Multinational Companies
  - IFC Performance Standards
  - ICMM Performance Expectations
  - International Cyanide Management Code
  - WGC Conflict-Free Gold Standard
  - ...and many more
- Public consultation during Q2 and Q3 2018; expected launch H1 2019
- Credible but pragmatic.



# Thank you

For more information:

[www.gold.org/research/gold-and-climate-change](http://www.gold.org/research/gold-and-climate-change)

[www.gold.org/who-we-are/our-members/responsible-gold](http://www.gold.org/who-we-are/our-members/responsible-gold)