

NATURE WORKING GROUP



Responsible Investment
Association Australasia



Meeting #1 2023 Post Meeting Papers

Via Zoom – 22 March 2023, 12:00pm to 1:30pm AEST / 2.00pm to 3:30pm NZST

Contents

Meeting minutes

Action Register

Attendees

Attachments

- 1) Meeting Slide Deck
- 2) FY23 Q3 Nature StockWatch Report – Sustainalytics
- 3) Nature Positive Case Study Template
- 4) Nature Positive Case Study Example – New Forests

Agenda

Item	Action required
1. Welcome – Shara Lohrasb (Co-Chair, CEFC) <ul style="list-style-type: none">Acknowledgement of CountryMotion to adopt Minutes from last meeting: Shara Lohrasb (Co-Chair, CEFC)<ul style="list-style-type: none">Motion carried: Madeline Combe (Altiolem)Motion seconded: Harry Agnew (Perpetual)	For adoption
2. Special Presentation: Chubb Review, Biodiversity & First Nations Peoples – view recording here Ariadne Gorring, Co-CEO of Pollination Foundation <ul style="list-style-type: none">The independent Chubb Review presented 16 recommendations, which included a range of proposals to improve the operation of the scheme.A core insight suggested once carbon farming becomes more accessible, there will be more opportunities to repair nature, engage communities into nature-based solutions, and create sustainable land use.To learn more about the Indigenous carbon industry network, please see here	Read full report here Engage with the Indigenous Carbon Industry Network here
3. Special Presentation: Banks and Super Funds in the Nature Crisis – view recording here Madeline Combe, Report Author and Researcher with the Australian Conservation Foundation (ACF) Audrey van Herwaarden, Corporate Environmental Analyst at the ACF	Read the full report here For more information, please contact Madeline Combe

<ul style="list-style-type: none"> • Risky Business: How Australia's Banks and Super Funds are Responding to the Nature Crisis is a report recently published by ACF, seeking to investigate how Australia's investors and lenders view nature. The report analysed responses from 10 banks and 10 super funds. • The report recommended that financial institutions publicly acknowledge nature as a material risk and that companies develop high-level, sector-based double materiality assessment. 	(Altioem) and Audrey van Herwaarden (ACF)
<p>4. Industry Updates</p> <p>StockWatch Report (Jono Broome, Sustainalytics)</p> <ul style="list-style-type: none"> • Presentation summarising the StockWatch report prepared for Nature Working Group meeting. • Find StockWatch Report attached for more information. <p>TNFD & RIAA Update (Min Wah Voon, RIAA)</p> <ul style="list-style-type: none"> • Discussion of upcoming RIAA nature-related events, including TNFD Workshop #2, and RI Australia Conference – register here <p>Aotearoa NZ update (Greg Munford, NZ Super)</p> <ul style="list-style-type: none"> • Presentation summarising Aotearoa NZ nature updates, including the work of the Guardians of New Zealand Superannuation 	<p>For more information, please contact Jono Broome (Sustainalytics)</p> <p>For more information, please contact Greg Munford (NZ Super)</p>
<p>5. Nature Working Group planning – Min Wah Voon, RIAA</p> <ul style="list-style-type: none"> • Update on the Nature Workplan FY 2022-2023, which will be expanded on at the next meeting • Polling of member satisfaction within Nature Working Group • There will be opportunities to sponsor the Nature Working Group in 2023 	<p>To express interest in sponsorship, please contact Min Wah Voon (RIAA)</p>
<p>6. Subgroup update</p> <p>#1 Education and Awareness for Investors (Emily Davies, EY & Madeline Combe, Altioem)</p> <ul style="list-style-type: none"> • Nature in a Nutshell #3 and #4, on measurement and metrics, have been drafted. It will be submitted for internal and external review prior to publishing. • Polled members on experience within NWG, with a focus on future projects in FY23 <p>#2 Risks and Exposures #2 (Claire Molinari, Care Super)</p> <ul style="list-style-type: none"> • Held TNFD risk and exposure workshop in 2022. Presented an update on risks and exposures using the LEAP framework under the Taskforce on Nature-related Financial Disclosures. <p>#3 Investment Opportunities (Carly Hammond, New Forests)</p> <ul style="list-style-type: none"> • Created a template in 2022 for nature-based opportunity case studies. Please utilise the template, and view the example for reference (see attachments 2 and 3) <p>External Reference Group (Jane Hutchinson, Pollination & Blathnaid Byrne, CBA)</p> <ul style="list-style-type: none"> • Previous meeting was at the end of 2022, with a focus on policy positioning and contributions moving forward. • They also were involved with the joint webinar with ALCA, ACSI and RIAA on next steps post-COP15. View full recording here (password 8v^2iB\$C). • To learn more about the IUCN nature-positive approach, see here 	<p>To get involved with Subgroup 1, please contact Emily Davies (EY) or Madeline Combe (Altioem)</p> <p>To get involved with Subgroup 2, please contact Claire Molinari (Care Super)</p> <p>To get involved with Subgroup #3, please contact Carly Hammond (New Forests)</p> <p>Please fill out case study template, see Attachment 3</p> <p>To get involved in External Reference Group, please contact Jane Hutchinson</p>

	(Pollination) or Blathnaid Byrne (CBA)
7. Other Business and Updates Resources – for reference only <ul style="list-style-type: none"> a) RI Australia Conference 10-12 May – register here b) Recent ACSI & RIAA Webinar: Post COP15 What's Next for Investors – recording available here (password: 8v^2iB\$C) c) Embedding Indigenous Knowledge in the Conservation and Restoration of Landscapes - read the report prepared by the World Economic Forum here d) Topic Standard Project for Biodiversity – see current progress on the revised GRI Biodiversity Standard here 	For information
8. Wrap-up and Close – Shara Lohrasb (Co-Chair, CEFC) Next Meeting: 20 July 2023 – register here	Register

Action Register

	Action	Delegation	Status
12-23	Register for Nature Working Group Meeting #2 20 July 2023 here	All	Pending
11-23	To participate in External Reference Group, please contact Jane Hutchinson (Pollination) or Blathnaid Byrne (CBA)	All	Pending
10-23	To participate in Subgroup 3, please contact Carly Hammond (New Forests)	All	Pending
9-23	Engage with the nature-related opportunities case study, email Antonia Bowlen (RIAA) for template	All	Pending
8-23	To participate in Subgroup 2, please contact Claire Molinari (Care Super)	All	Pending
7-23	To participate in Subgroup 1, please contact Emily Davies (EY) or Madeline Combe (Altioem)	All	Pending
6-23	To express interest in sponsorship of Nature Working Group in 2023, please contact Min Wah Voon (RIAA)	All	Pending
5-23	For more information on Nature in NZ, please contact Greg Munford (NZ Super)	All	Pending
4-23	For more information, please contact Jono Broome (Sustainalytics)	All	Pending
3-23	For more information, please contact Madeline Combe (Altioem) and Audrey van Herwaarden (ACF)	All	Pending
2-23	Engage with the Indigenous Carbon Industry Network here	All	Pending
1-23	View the Chubb Review here	All	Pending
Previous			
44-22	Register for 22nd March 2023 Nature Working Group Meeting here	All	Complete
43-22	Register to attend RIAA & DCCEW Workshop 1 here	All	Complete
42-22	If attending COP15, please contact Guy Williams (Deloitte)	All	Complete
41-22	For more information on IBAT, please contact Ben Jobson (IBAT)	All	Ongoing
40-22	For more information about their services or presentation, please contact Amanda Irwin or Kate Bromley (FairSupply)	All	Ongoing
39-22	For more information on TNFD v0.3, please contact Carolyn Leeshaa (KPMG)	All	Complete

38-22	For more information on RIAA & EY TNFD Piloting Workshops, please contact Emily Davies (EY) & Tim King (Melior)	All	Complete
37-22	For more information on RIAA & DCCEEW TNFD Webinars, please contact Antonia Bowlen (RIAA)	All	Ongoing
36-22	To get involved with the External Reference Group, please contact Bláthnaid Byrne (CBA) and Jane Hutchison (Pollination Foundation)	All	Ongoing
35-22	Register interest in Nature Action 100 here	All	Ongoing
34-22	Register for November 24 th Nature Working Group meeting - here	All	Complete
33-22	Register for October 26 th First Nations Peoples' Rights Working Group Meeting -	All	Complete
32-22	Register for RI Aotearoa NZ Conference - here	All	Complete
31-22	For more information on Australia's State of Environment Report, please contact Terri Janke	All	Ongoing
30-22	For more information on Nature Positive, please contact Robin Mitchell	All	Ongoing
29-22	To participate in SBTN Public Consultation webinar Sept 20th register here	All	Complete
28-22	For more information on DCCEEW, please contact Arianna Cowling	All	Ongoing
27-22	For more information on TNFD Taskforce or to get involved, please contact Guy Williams	All	Ongoing
26-22	For more information on TNFD National Consultation Group or to suggest topics for workshops, please contact Estelle Parker	All	Ongoing
25-22	For more information on Subgroup 2, please contact Tim King and Claire Molinari	All	Ongoing
24-22	For more information on Subgroup 5, please contact Amanda Richman	All	Ongoing
23-22	For more information on External Reference Group please contact Bláthnaid Byrne and Jane Hutchinson	All	Ongoing
22-22	Register for next meeting - register here	All	Complete
21-22	For more information on Lock the Gate please contact Mark Lyster	All	Ongoing
20-22	To become a mentor with Altioirem please contact Maddy Combe (Altioirem)	All	Ongoing
13-22	For more information on the Global biodiversity framework please contact Shara Lohrasb (Co-Chair CEFC)	All	Ongoing
12-22	For more information on the TNFD National Consultation Group, please contact Estelle Parker (RIAA)	All	Ongoing
11-22	To connect with Aotearoa-based WG members, please contact Greg Munford (NZ Superfund) and Gael Ogilvie	All	Ongoing
10-22	For more information on the TNFD, please contact Guy Williams (Co-Chair, Deloitte)	All	Ongoing
9-22	For more information on planetary boundaries, please contact Liam Walsh, Climateworks	All	Complete

Attendees (83)

	First Name	Last Name	Company
1	Briony	Doyle Galovic	Responsible Investment Association Australasia
2	Stephanie	Hukins	Schroders
3	Elyse	Weatherby	Future Super

4	Oliver	Doraisamy	Deloitte
5	Karen	McWilliams	Chartered Accountants Australia and New Zealand
6	Maddy	Combe	Altiorum Limited
7	Craig	Blundell	Greville Analytics
8	Carly	Hammond	New Forests
9	John	Finisdore	ERM
10	Suzy	Yoon	JANA
11	Rena	Zhu	EY
12	Claire	Hanratty	Sustainable Impact Advisory
13	Lisa	Domagala	Solaris Investment Management Limited
14	Abi	Singham	Commbank
15	Kylie	Parkyn	Apostle Funds Management
16	Antonia	Bowlen	RIAA
17	Georgina	Murray	Ethical Partners Funds Management
18	Venn	Purnell	Active Super
19	Dragana	timotijevic	AMP - Platforms
20	Jame	Hutchinson	Jane Hutchinson, Pollination Foundation
21	Greg	Munford	NZ Superfund
22	Mitch	McNae	ANZ New Zealand Investments Limited
23	Rebecca	Mather	Mercer
24	Michaela	Young	Ndevr Environmental
25	Amelia	Slaytor	Liverpool Partners
26	Kate	Brownsey	Pathfinder Asset Management
27	Amber	Sun	Cbus Super
28	Alice	Martin	Moribus Advisory
29	Ariadne	Gorring	Pollinationgroup
30	Shara	Lohrasb	Clean Energy Finance Corporation
31	Joel	Winch	Crescent Capital Partners
32	mark	lyster	Lyster & Associates
33	Melanie	Madders	Cefc
34	Bonnie	Mappin	KPMG Australia
35	Rob	Fowler	Essential Change Advisory Services
36	Alice	Jones	Devon Funds Management
37	Lili	Pechey	National Australia Bank
38	Audrey	van Herwaarden	Australian Conservation Foundation
39	Ada	Tso	RIAA
40	Maddy	Dwyer	Paradice Investment Management
41	Graeme	Barry	Australian Retirement Trust
42	Johannah	Dods	Accident Compensation Corporation
43	blathnaid	byrne	CBA
44	Adrian	Ward	Accounting for Nature
45	Veda	FitzSimons	Pollination
46	isabel	huther	BTNZ
47	Romy	Faulkner	Australian Council of Superannuation Investors (ACSI)
48	Laura	Waterford	Pollination
49	Desiree	Lucchese	U Ethical
50	Gael	Ogilvie	Tread Lightly Advisory
51	John	Moutsopoulos	KPMG Australia
52	Ivor	Gibbons	Perpetual Limited

53	Agnieszka	Cochrane	Fidante Partners Limited
54	Dianna	Enlund	S&P Global Sustainable1
55	Gabriel	Wilson-Otto	Fidelity International
56	David	Woods	NZ Centre for Sustainable Finance
57	Terusha	Ramchund	Platypus Asset Management
58	Harry	Agnew	Perpetual
59	Caitlin	Medley	Individual supporter Registration
60	Rachel	Tinkler	Mint Asset Management
61	Page	Perry	Pollination
62	Bridgette	McDonald	Pamoda Consult
63	Martine	Crowe	EY
64	Jordy	Finch	ACSI
65	Christine	Laban	KPMG New Zealand
66	Nathan	Voug	Altioem Limited
67	Emily	Davies	EY
68	Susan	Quinn	Responsibleinvestment
69	Priya	Patel	Frontier Advisors
70	Jorge	Waayman	HARBOUR ASSET MANAGEMENT, NZ
71	Amy	Ubank	Maple Brownabbott
72	Min Wah	Voon	RIAA
73	Joshua	Edmunds	RIAA
74	Isabella	Marotta	Responsible Investment Association Australasia
75	James	Harry	EY
76	Jane	Sing	Sole trader
77	Louise	Bradshaw	Aware Super
78	Lucy	Sanderson	MinterEllison
79	Claire	Molinari	CareSuper
80	Judith	Vu	Responsible Investment Association Australasia
81	Marg	Will	Organic Systems And Solutions Pty Ltd
82	Melissa	Schulz	QIC GRE
83	Nathaniel	Pelle	Australian Conservation Foundation

RIAA's Nature Working Group

Meeting #1 - Wednesday 22 March

Principal Partner

Deloitte.



Responsible Investment
Association Australasia



Co-Chairs of RIAA's Nature Working Group



Shara Lohrasb, Associate Director at the Clean Energy Finance Corporation



Guy Williams, Director (Biodiversity and Natural Capital) at Deloitte

Principles of Participation

- Confidentiality - Chatham House Rule
- No self-promotion
- Declaration of conflicts of interest
- Representation
- Collaboration between members
- Positive change in practice/policy
- Not to engage in or discuss competitively sensitive information
- Apolitical

Special Presentation and Q&A: Chubb Review, Biodiversity & First Nations Peoples



Ariadne Gorrington, Co-CEO of Pollination Foundation and member of Chubb Review panel

Special Presentation: Banks and Super Funds in the Nature Crisis



Audrey van Herwaarden, Corporate Environmental Analyst
at the Australian Conservation Foundation (ACF)



Madeline Combe, Report Author and Researcher with ACF

Sector	Impacts	Dependencies
Forestry		
Crop Agriculture		
Livestock Agriculture		
Horticulture & Viticulture		
Fisheries and Aquaculture		
Meat and Dairy Manufacturing		
Construction		
Water Waste Services		
Other Food Product		
Manufacturing		
Non Food Product		
Manufacturing		
Electricity		
Fossil Fuel Mining		
Metal Ore Minerals Mining		
Real Estate		
Transport & Logistics		
Accommodation & Hospitality		
Oil & Gas		
Media & Telecommunications		
Arts and Recreation		
Health Care & Social Services		
Financial Services & Insurance		
Wholesale & Retail Trade		
Professional & Technical		
Services		
Public Admin		
Education		
Other administrative supports		

Risky business: How Australia's banks & super funds are responding to the nature-crisis

What the report found

1. **50% of banks and 30% of super funds** had evaluated their nature-linked impacts or dependencies
2. **10% of banks don't plan to** evaluate their impacts or dependencies in the future, compared to **50% of super funds**
3. **Just 15% of respondents** had assessed their nature-linked risks or opportunities, despite the fact that **93% of respondents stated they had a responsibility** respond to nature-related risks and opportunities
4. **73% noted** that nature was relevant because of the climate nature nexus
5. **Only three respondents had integrated nature and climate strategies**, with a further five citing plans to do this

What Financial Institutions can start doing today

1. **Banks and super funds need to publicly acknowledge** that nature is a material risk
2. **Conduct high level sector based DOUBLE materiality assessment.** IBAT and ENCORE are a good starting place.
3. Once priority areas have been identified, **start to evaluate nature related impacts, dependencies, risk and opportunities in depth.** No single tool or method will be able to do this.
4. Based on the outcomes of your more in depth evaluations of impacts, dependencies, and risks **identify priority companies to actively engage with.**

Expectations for the next 1-2 years

1. **Set time-bound targets and science-based policies** to protect and restore nature across all relevant dimensions
2. **Advocate for reforms** of nature-related policies



Updates

- StockWatch Report (Jono Broome, Associate Director, Client Relations, Sustainalytics)
- TNFD & RIAA Update (Min Wah Voon, RIAA)
- Aotearoa NZ Update (Greg Munford, NZ Super)
- Nature Working Group Updates (Min Wah Voon, RIAA)

Sustainalytics Controversies Monitoring



Imperial Oil Limited – Integrated Oil & Gas – Canada

Category 3 – On 4 February 2023, Imperial Oil reported release ~5.3 mn litres of industrial wastewater from a storage pond at the Kearl Oil Sands site in Alberta, Canada. Toxic tailings have also been found to leak from the site into groundwater in May 2022.



Golden Agri-Resources Ltd. – Agriculture – Singapore

Category 4 – In February 2023, Golden Agri-Resources resigned as a member of the High Carbon Stock Approach (HCSA) following an investigation by HCSA which found Golden Veroleum Liberia (owned by GAR) was responsible for widespread deforestation in Liberia. Sustainalytics assesses the impact on forests and biodiversity as high.



UPL Limited – Agricultural Chemicals – India

Category 4 – Following civil unrest, in July 2021 a fire broke out in UPL's warehouse in Cornubia, South Africa which released a large quantity of toxic and carcinogenic pesticides when hosed by firefighters. Samples of surrounding soil, rivers and beaches showed significant damage to plants and marine life, especially in the Ohlanga River.



What We Look For

IMPACT

RISK

MANAGEMENT

Short term: Will monitor for updated source control & containment plan's strength and efficacy to stop and contain the release

Long term: Remediation efforts, monitoring plans, any ensuing penalties/litigation

GAR has committed to not developing HCS, HCV or peatland, but do not make formal commitments to restore deforested land in their Social and Environmental Policies. Awaiting a Sustainability Action Plan (SAP) in development for a few years, yet to be finalised.

In September 2021, a criminal investigation found UPL was operating without a Scheduled Activities Permit. Monitoring for whether charges will be brought. **Remediation:** Aug 2021 introduced a complaints procedure. As of November 2022, UPL removed >22,000t of soil/rubble and 85mn L of liquid, estimated to have cost USD 25mn (0.3% of FY 2022 revenue).

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Updates

- StockWatch Report (Jono Broome, Associate Director, Client Relations, Sustainalytics)
- TNFD & RIAA Update (Min Wah Voon, RIAA)
- Aotearoa NZ Update (Greg Munford, NZ Super)
- Nature Working Group Updates (Min Wah Voon, RIAA)

Workplan FY 2022-2023

Phase	Activity	Status	Notes
1. Exploration	RIAA Member Survey	Complete	2023 to come
	Establish Subgroups	Complete	
	Establish external reference group	Complete	
	Deloitte-RIAA-ASFI TNFD beta framework session	Complete	
	RI Australia 2022 conference - panel session	Complete	2023 to come
	Aotearoa NZ stakeholder workshop	Complete	
	Subgroup 4 - systems and stakeholder maps	Complete	
	Subgroup 4 - First Nations engagement	In progress	
	Subgroup 5 - corporate engagement	Explore	To discuss options
2. Development	NWG one-pager - Who We Are	Complete	
	Subgroup 1 - Nature in a Nutshell series (2 per quarter)	In progress	#1-4

Workplan FY 2022-2023 cont.

Phase	Activity	Status	Note
3. Doing	Subgroup 2 - Research to test TNFD beta with companies	In progress	
	Subgroup 3 - Compendium of investible cases	In progress	
	TNFD version updates (knowledge-sharing)	In progress	TNFD workshops
	Establish TNFD National Consultation Group	Complete	
	Policy and advocacy - State of Environment report	Complete	
	Policy and advocacy - Input into CBD COP 15	Complete	
	Policy and advocacy - Samuel Review	TBD	ACSI / ACF

Subgroup Updates

- Education & Awareness for Investors (Emily Davies, EY)
- Risks and Exposures (Claire Molinari, Care Super)
- Investment Opportunities (Carly Hammond, New Forests)
- External Reference Group (Jane Hutchinson, Pollination & Blathnaid Byrne, CBA)
- First Nations & Nature (Min Wah Voon, RIAA)
- Working Group Engagement Poll

RI Australia 2023 Conference – Nature Panel

Groundwork – Latest Lessons from Piloting the Taskforce on Nature- related Financial Disclosures: RIAA's Nature Working Group

Plenary session - 11th May 2:15pm – 2.55pm AEST

Hear from a leading investor, an iconic Australian company, a First Nations leader and an environmental expert on what it's like to pilot the Taskforce on Nature-related Financial Disclosures (TNFD) framework. How did they go about it, what might they do differently, and where are the risks, challenges and opportunities?



Anne Dekker
Vice President Environment at
BHP

Shara Lohrasb
Associate Director of Clean
Energy Finance Corporation

Tim King
Chief Investment Officer at
Mellor Investment Management



View full RI Australia
2023 program here

Working Group Member Portal

All Working Group meeting minutes and recordings are uploaded to the RIAA Member Portal.

Access the portal using your Glue Up credentials here:



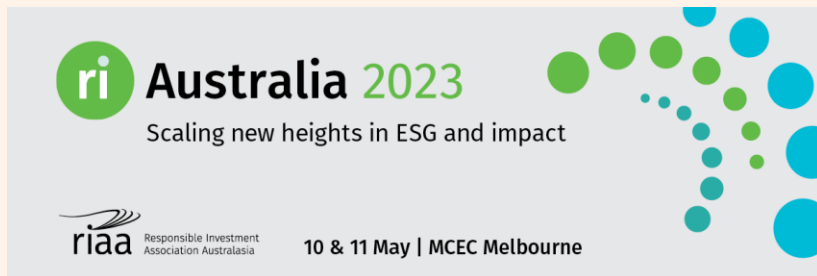
Next Round of Working Group Meetings

First Nations Peoples' Rights Working Group, Wed 24 May - 12pm – 1.30pm AEST / 2pm – 3.30pm NZST

Human Rights Working Group, Thurs 1 June - 12pm – 1.30pm AEST / 2pm – 3.30pm NZDT

Nature Working Group, Thurs 20 July - 12pm – 1.30pm AEST / 2pm – 3.30pm NZST

View full list of [RIAA's events here](#).



**RESPONSIBLE INVESTMENT
ASSOCIATION AUSTRALASIA**
Ground Floor, 555 Bourke St
Melbourne Vic, 3000
Australia

+61 3 7018 7653

info@responsibleinvestment.org
responsibleinvestment.org



Responsible Investment
Association Australasia

Monitoring Nature Related Controversies

- February 2023

Imperial Oil Limited - Integrated Oil & Gas – Canada (70% owned by Exxon)

Emissions, Effluents and Waste

Category 3

On 4 February 2023, Imperial Oil reported that an uncontrolled release of an estimated 5.3 mn litres of industrial wastewater (more than 33.000 barrels) leaked from Imperial Oil's storage pond at the Kearl Oil Sands site in the Athabasca Oil Sands Region of Alberta, Canada. The size of the affected area, though, is yet unknown, and the cause and content of the release are still being determined. Meanwhile, Imperial must also address an unknown number of toxic tailings that have leaked from Kearl's site into groundwater, which has also pulled into the nearby watershed. The seepage, which started in May 2022 and continues to date, allegedly surpasses national and regional guidelines for iron, arsenic, sulphates, and hydrocarbons. On 6 February 2023, the Alberta Energy Regulator issued an Environmental Protection Order (EPO) against the company in response to the containment incidents. The order followed two notices of non-compliance issued against Imperial for the first leak. In its IPO, the regulator ordered Imperial Oil to come up, by February 10, with an updated source control and containment plan detailing short-term actions to stop and contain the release before the spring melt. According to the regulator, Imperial must also submit, by February 28, an updated Sampling and Monitoring Plan for the Releases as well as an updated Remedial Action Plan. On 10 February, Imperial submitted a plan for the interim cleanup of the spills.

Golden Agri-Resources Ltd. – Agriculture – Singapore

Land Use and Biodiversity

Category 4

In February 2021, sustainability organization High Carbon Stock Approach (HCSA) investigated and found Golden Veroleum Liberia (GVL) responsible for widespread deforestation. HCSA is the organization behind a methodology to identify forest areas for protection. GVL is owned by the Verdant Fund, in which Golden Agri-Resources (GAR) is the sole investor. In 2018, a report by NGO Friends of the Earth (FoE) alleged that GVL had engaged in deforestation, clearing around 29,072 hectares of land in Sinoe County, Liberia starting in 2010, with active clearing occurring until at least April 2018. The FoE report found that since 2014, GVL has cleared around 380 hectares of High Carbon Stock (HCS) forests and 320 hectares of High Conservation Value (HCV) areas (including the habitat of species such as chimpanzees and pygmy hippopotami), which is in contradiction to the standards set by the HCSA, an organization aimed at establishing best practices in the preservation of high carbon stock forests. A grievance was filed with the HCSA by the NGOs behind the report. Although the February 2021 conclusions by the HCSA are not legally binding, GVL has acknowledged the HCSA's conclusions and in February 2021 announced that it will suspend further land developments. **GAR resigned as an HCSA member as of February 2023, alleging that it disagreed with the organisation's direction.** The HCSA stated that its grievance

case against GAR remained active as GVL has not fully implemented a timebound plan framework finalised in June 2022.

UPL Limited - Agricultural Chemicals - India
Emissions, Effluents and Waste
Category 4

On 13 July 2021, a fire broke out at UPL Ltd's (UPL) warehouse in Cornubia, South Africa as a result of arson during civil unrest in the area. The warehouse stored an estimated 6,000 cu m of pesticides. Some are known carcinogens and neurotoxins and are harmful to human health and wildlife. Water run-off from firefighting entered the stormwater system, which flowed into the Ohlanga River, damaging plants and marine life. Samples taken from surrounding soil, rivers and beaches in July 2021 confirmed large parts of the river no longer contained living organisms and that concentrations of hazardous chemicals remained high. As part of the remediation process, **UPL removed over 22,000 tonnes of soil and rubble and 85 million litres of liquid (as of November 2022)** which was disposed of at a class A landfill facility. In August 2021, UPL launched a complaints procedure to allow any affected community members a mechanism to highlight any negative health or economic impacts as a result of the fire. Furthermore, in July 2022, the company engaged with the government-established multi-stakeholder forum to further facilitate engagement with the community. Overall, **the clean-up is estimated to have cost USD 25 million (0.3% of FY2022 revenue) as of the end of November 2022**. In September 2021, a criminal investigation was launched UPL was found to be operating without a Scheduled Activities Permit. As of November 2022, there has been no update on whether charges will be brought.

Compendium of financially feasible nature-positive investment case studies

Case Study Template		
Category	Question	Example
Investor	Who is supplying the capital?	Organisation or consortium name
Recipient	Who is the capital recipient?	Issuer name
Region	Where are the nature positive activities being carried out?	US, EU, Australia
Asset class	What is the relevant asset class	Listed equity, private equity, fixed income (bonds), infrastructure
Sector	What is the sector context?	Finance, Agriculture
Natural capital focus	Which area of Natural Capital is the focus?	Biodiversity, Fresh Water
The issue/challenge	What Nature related challenges, themes or issues are being addressed? How is the investment 'nature-positive'?	Deforestation, invasive species, pollution
Investment Vehicle/Financial Instrument	What financial vehicle or instrument is being used to deliver capital into the investees project(s)?	Bonds, Equity, Mutual Fund, Blend finance structure
Financially feasible		
Deal Size	How large is the deal in \$?	AU\$100,000,000
Rate of return	What is the rate of return and how does it compare with the rate of return of the relevant asset class?	7% total return (c/w 9% benchmark for asset class)
Cash flow mechanisms	How is the return generated \?	Through selling biodiversity credits, taking a cut from ecotourism operators, government, capital appreciation
Return of capital	When	
Replicability/scalability	Is the project scalable/replicable? If it is, under what conditions, if it is not, why?	Yes/No, present set of conditions
Project Length	How long till the project expects to yield measurable results?	5yrs
Investment Life	How long is the investment?	10 years, evergreen
Level of aggregation	At what level is capital being aggregated?	Private sector, public, national, international, public/private
Payer	Who is the finance being raised by? The project beneficiary, or the 'polluter'?	The polluter, such as a mining company
Financing Conditions	What conditions needed to be met to unlock the agreed capital?	Use of Proceeds? Nature +ve Operations alignment?
Impact Measurement	What will the invested capital help achieve?	Restoration of important habitat
	What targets have been set?	To increase forested area by 50%
	How are target indicators being measured?	
	Is there alignment with internationally recognised standards?	
Motivation for investment	What was the motivation for making the investment?	Returns, Client demand, Low risk Yield, Diversification
Map of investment model/operating model	Illustrate the relationship between key actors including investors and beneficiaries as well as the flow of	

	capital from supply to project/investment outcomes	
Case study in a nutshell	Provide context for the investment initiative and a brief summary.	
Challenges	What challenges arose during the investment process?	Measurement of outcomes, pricing risk
Lessons learned	Any valuable lessons learned for next time?	To plan outcomes measurement more rigorously and consider unintended impacts
Outcomes (planned and unplanned)	What were the outcomes?	
	Any Positive Externalities? (additionality)	
	Any negative externalities?	
Terminology explained	Nature based Solutions, Green Bond etc...whatever concepts are explored, explain here.	
Contact person	Who is the main point of contact should there be further questions?	

TASMANIAN FORESTRY TRUST (NEW FORESTS)

The Tasmanian Forestry Trust (TFT) is part of global asset manager New Forests' investment portfolio, and is managed by Forico, Tasmania's largest private forest and land manager.

In 2020, Forico released its inaugural [Natural Capital Report](#) for measuring the value of TFT's dependencies and impacts on nature. The report found that under a conventional accounting method, TFT's plantation asset value is approximately AU\$490 million. When using Natural Capital Accounting, the company's assets provide ecosystem services worth AU\$3.4 billion; this includes plantation areas, carbon sequestration, ecosystem services associated with water and natural forest habitats.

Investment Characteristics

Who has developed the investment?

New Forests is a global investment manager of nature-based real assets and natural capital strategies, with A\$10.7bn assets under management.

Who is supplying the capital?

Institutional investors

To whom or what is the capital deployed?

Forestry company

Description of investment

The Tasmanian Forestry Trust (TFT), managed by Forico, is a forestry portfolio company of New Forests that operates in Tasmania, Australia. The TFT estate covers 174,000 hectares, of which approximately 74,000 hectares is natural forest area.

Which area of natural capital is the focus?

Wood fibre, carbon sequestration, water usage, water quality, recreation activities

NATURE POSITIVE
CASE STUDY
– NEW FORESTS

What nature related challenges, themes or issues are being addressed? How is the investment 'nature-positive'?

TFT aims to address challenges related to the sustainable production of wood fibre, climate change mitigation, water usage and quality, and ensuring custodianship of the natural forest. These themes were identified by conducting a materiality assessment of impacts and dependencies at the landscape level.

Additionally, Forico aimed to provide an example of applied Natural Capital Accounting (NCA) to support its uptake, which could encourage the development of robust ecosystem-based markets. Prior to the release of the Natural Capital Report, the challenges around lack of standardised NCA principles and the data requirements had been barriers to a case study being published.

As demonstrated in its Natural Capital Report, TFT is a nature-positive investment as its net natural capital value is AU\$3.39 billion. This means that TFT has a positive impact across the topics that were assessed.

In addition to returns, are there other motivations for making the investment?

Reputation; market demand; natural capital markets; leadership

Where are the nature positive activities being carried out?

Australia

What is the relevant asset class?

Real assets

What is the sector context?

Forestry

What financial vehicle or instrument is being used to deliver capital into the investees project(s)?

Co-investment

How long is the investment?

10 years

Financial Feasibility

Is the project scalable/replicable? If it is, under what conditions, if it is not, why?

The TFT Natural Capital Accounts could be scaled by including more nature-related impact and dependencies. The project is replicable by other land-based companies, as Forico based its methodology off publicly available information and shares details of its approach in the Natural Capital Report.

How is the return generated?

Revenue (timber sales, carbon credit sales); Capital appreciation

Nature positive

How are you measuring 'nature positive'? Does it align with international standards?

Forico is measuring Nature Positive for the TFT through alignment with best practice methodology for natural capital accounting and the Sustainable Development Goals.

What, if any, nature positive targets have been set?

Targets have not been set for TFT.

How long until the investment expects to generate measurable nature positive outcomes?

TFT currently generates Nature Positive outcomes, as demonstrated in its Natural Capital Report.

Are nature positive outcomes being reported publicly? If so, please share a link to the report.

Yes - <https://forico.com.au/volumes/images/Natural-Capital-Report-2021.pdf>

Challenges and definitions**Any valuable lessons learned for next time?**

Measuring natural capital and applying accounting principles is a time intensive effort and the process will not be perfect in the first attempt. However, given the urgency of the climate and biodiversity crises, taking action now is preferable to waiting for a perfect process. Additionally, while natural capital accounting can be daunting, a company can take incremental steps to build their account.

What would need to change to address the challenges you faced?

Accessible data sets; government support for natural capital accounting; clarified and agreed upon guidance for natural capital accounting; standardisation of measurement processes.

What is natural capital accounting?

Natural capital accounting is a process for assigning a financial value to the ecosystem stocks and flows at a site.

Further information

For further information please contact Jo Saleeba, Head of Sustainability, New Forests or visit www.newforests.com