



## Food for Thought: Who knew?

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Why am I writing this.....; well, how about the following quote?

‘what did we do once we knew’?  
“We are the first generation to  
know we are destroying our  
planet and the last one that can  
do anything about it,”  
WWF UK Chief Executive Tanya Steele

I think in the above quote rests a huge responsibility in the generation(s) currently alive. What will we tell future generations (some of us might still be around) once they review history, how will the accountability sit with our conscience when they see what we have done and what we should or could have done?

*Thinking doom and gloom, or could the contrary be true?*

## Options

We must prepare to live in a climate changed world, and we currently experience the impact of an already compromised climate scenario. One only need to look at the top risks that insurance companies brace themselves for. Amongst others we find extreme weather events high up on the list; but also considering how rising sea levels will change the geography and the demographics in the world, how shortages in usable water will impact the poor, how all these will impact on business and growing the economy. How it will result in destroyed value and create human displacement, potential unrest, political instability, .....and so the paragraph can continue.....

Allow me to summarise a few pointers to demonstrate how we can act on this and why we should:

- It has been proven that being a responsible corporate and investing in operational efficiency can make for a very attractive investment.
- Operational efficiency is already supporting response to our impact on finite resources.
- As much as our non-renewable energy sources are not sustainable, there are exciting developments in renewable alternatives and local legislative enablers on the horizon.

- Water is a finite resource that needs protection and we all should be custodians of responsible water management; it is not only a governmental responsibility.
- Waste is in most industries and commerce the biggest problem and we have no option as to start developing circular economies supporting a zero waste to landfill concept, changing trash to value streams.
- Due to the Sustainable Development Goals (SDG) and the support of these, the above will be forced in through legislation, carbon tax, etc. The SDGs were set up in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030, a very ambitious goal.
- This leads to a need that all businesses should invest in proper risk assessment, entrench this in their governance structures, equip their management and operationalise the mitigation strategies.
- It is equally important to recognise the opportunities vested in these challenges to ensure that the economy can maintain growth and prosperity.
- The investment world and the investor are becoming aware and educated, leading to a change in how companies are assessed as prospects to be invested in, i.e.:
  - Is the business ready for the changes coming?
  - Will the business have stranded assets because it is not adopting an appropriately adjusted strategy?
  - Is the business aware how the changes in technology will open opportunities or leave the business irrelevant in a changed world?
  - Is the business adopting disruptive thinking and innovation?
  - Is the company geared for Environmental, Social and Governance (ESG) reporting, delivering this open and honest to demonstrate to the investor where they are going and how they plan to mitigate the risks and adopt to flourish because of the opportunities in this new fast changing world?
- In recent years new investment strategies have been developed:
  - To meet the significant investor demand, asset managers are creating ESG funds at a rapid pace, [up more than 30% from 2019 to 2020](#).
  - Assets under management in [ESG funds](#) have increased to \$1.05 trillion at the end of 2018 from \$655 billion in 2012, according to Morningstar.
  - Demand for ESG products has [boomed in recent years and shows no signs of slowing down](#).

When history is reviewed by future generations (living in catastrophe), they **will** realise we knew!  
 We have no option, but to act and act swiftly.

A humble attempt to create awareness – look out for a follow-up in the next couple of weeks.

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