



CLIMATE CHANGE & SUSTAINABILITY

Report FY 19/20

He mihi

Huakina! huakina!
Piki mai rā, kake mai rā, ki tōku whare
Ko tō manawa, ko tōku manawa
Hara mai ra, ki te whai rawa e hora nei
Tāmaki Makaurau, herenga waka
Tāmaki Makaurau, herenga tangata
Anei, ana, inā hi
Anei, ana, inā hi

Open the doors! open the doors!
Welcome inside my home
Your heart is my heart
Come to the place of abundance
Tāmaki, a place to unite waka
Tāmaki, a place to unite people
Yes, absolutely, indeed!
Yes, absolutely, indeed!

ATEED has developed a story of Ngā Hau e Whā o Tāmaki Makaurau – the four winds of Auckland. Ngā Hau e Whā is a metaphor for the work that ATEED does across the Auckland region, and our city's connections to the Pacific and the world, connecting us to our people and our place. The four winds arrive carrying opportunity for our people and new growth for our region. They flow through us shaping our thoughts and bringing about new ideas and as they disperse, they connect us to the four corners of our region, our country and our world:

TE HAU RAKI TO THE NORTH the Jewels of the Gulf, the warmth of the Pacific, the shimmer of the Waitematā.

TE HAU A URU TO THE WEST the energies of the west wind, drawing from the life and vitality of the Waitākere ranges.

TE HAU TONGA TO THE SOUTH pulling in powerful energy from the south and potency of potential.

TE HAU RAWHITI TO THE EAST drawing inspiration from the winds of the rising sun and awakening of the new dawn, the bloom of the pōhutukawa.

Foreword



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I am proud to welcome you to ATEED's inaugural climate change and sustainability report, which is a bold step in our journey as an organisation that is committed to being as sustainable and climate proof as possible.

This report is structured in accordance with our approach to climate change and sustainability as an organisation. We don't just talk the talk, we are walking the walk; for example, we measure and plan to reduce our emissions, and manage our environmental impacts. We also contribute and align to Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan by working collaboratively with council and other stakeholders to support programmes that help Auckland's transition to a resilient and regenerative economy.

Two years ago, we made sustainability a cross-cutting theme across our business. As a result, from the ATEED Board down, we have incorporated sustainability and climate change considerations into all of our work programmes, making sure our actions have a positive impact.

This report details the steps we are taking towards demonstrating our commitment to climate action and sustainability.

I hope you enjoy reading about our year of sustainability action.

Nick Hill

ATEED Chief Executive

Contents

Foreword	3
About ATEED	5
Auckland's climate story	6
ATEED's climate change and sustainability framework	7
ATEED's contribution to Auckland's climate goals	8
ATEED's corporate sustainability response	12
Building climate resilience and the economic recovery	14
What's next for ATEED?	15

About ATEED

ATEED is Auckland's regional economic development agency, and an Auckland Council Controlled Organisation (CCO). Our programmes help make Auckland a desirable place to live, work, visit, invest and do business as we work to create a prosperous Tāmaki Makaurau Auckland.

We play a pivotal role in Auckland's economic development and recovery by leading and supporting initiatives and networks that attract talent and investment, boost business and job creation, foster innovation and an entrepreneurial culture, grow our visitor economy, and shape Auckland's identity to stand out globally. Our work is underpinned by three cross-cutting themes: climate change and sustainability; Māori outcomes; and a particular focus on economic development activities in south and west Auckland.

Measuring the sustainability outcomes of ATEED's priority work programmes is often difficult, particularly in relation to attribution across multi-partner work, and ATEED continues to explore setting appropriate KPIs to track its performance. In supporting this, a Climate Innovation and Sustainability Strategy team was established in the second quarter of Financial Year 2019/2020 to develop a climate change and sustainability framework for the organisation and oversee all of ATEED's

programmes and activities to ensure alignment to the city's climate targets. In addition, ATEED is working proactively across the Auckland Council family (including Auckland Council, Auckland Transport, Panuku Development Auckland, Regional Facilities Auckland and Watercare) to deliver on outcomes, actions and targets set in the Auckland Plan 2050 and Long-Term Plan (10 Years). With the region's target of achieving net zero emissions by 2050 and becoming a climate-resilient city, ATEED is accountable for actions under the 'economy' priority in the ongoing development and delivery of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

Auckland's reputation, distinctiveness and ability to attract future visitation, investment, students, events and talent is underpinned by the attractive lifestyle and environment we offer. A key tenet of the **Auckland brand** is that our region is an 'urban oasis'; a special place where city and nature are in harmony and our residents enjoy the benefits of a cosmopolitan, urban hub, while being a stone's throw from nature. Māori values are also woven into our story, with **sustainable destination management**, and the responsibilities of kaitiakitanga central to our ambitions for Tāmaki Makaurau Auckland. ATEED takes climate change seriously and is taking action on climate change.



Auckland's climate story

TĀMAKI MAKĀURAU AUCKLAND IS IN A CLIMATE EMERGENCY

The Auckland region is already experiencing the effects of a changing climate. Over the last decade, Auckland has experienced heavy rain events, storm surges and coastal inundation, extreme heat events, and droughts. These climate change impacts are expected to increase in frequency and severity. (Source: **Te Tāruke-ā-Tāwhiri; Auckland's Climate Plan**). We have less than a decade to make the major changes needed to avoid the worst impacts of climate change. (Source: **IPCC Special Report on Global Warming of 1.5C**).

TE TĀRUKE-Ā-TĀWHIRI: AUCKLAND'S CLIMATE PLAN

The pace of responding to climate change has been gathering momentum around the world. Cities and regions are stepping up to tackle local greenhouse gas emissions, transitioning to a more resilient and climate-proof future, and finding opportunities to reinvent themselves in the face of the climate crisis.

The COVID-19 pandemic has highlighted the economy's fragility to future shocks from climate change, technological change and other global pandemics that may expose and exacerbate social and economic inequities.

Instead of going back to unsustainable systems and approaches, we need to move to an economy that is regenerative, distributive, local and enables Aucklanders to thrive. (Source: **United Nations Comprehensive Response to COVID-19**).

Auckland Council Group has demonstrated leadership by continuing its work on climate action and has adopted Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan during the pandemic. This plan has dual goals of reducing Auckland's greenhouse gas emissions by 50 per cent by 2030 and achieving net zero emissions by 2050, and to prepare for the impacts of climate change. The plan focuses on eight key priority areas: natural environment; built environment; transport; economy; community and cost; food; Te Puāwaitanga o Te Tātai; and energy and industry.

ATEED co-leads the development and future implementation of the economy priority and supports Auckland's transition to a resilient, low carbon economy, guided by our kaitiaki values, that supports Aucklanders to thrive. The plan calls on Auckland Council group to advocate for change, work in partnership across sectors, support communities and civil society in progressing climate action and to demonstrate leadership within its own operations and activities. (Source: **Te Tāruke-ā-Tāwhiri; Auckland's Climate Plan**).



ATEED's climate change and sustainability framework

Climate change and sustainability is a cross cutting theme at ATEED; it means, from ATEED's board of directors down, climate change and sustainability considerations are incorporated into all of ATEED's work programmes. ATEED's climate change and sustainability framework has two main pillars (Figure 1):

- How ATEED contributes to climate action and corporate sustainability: focusing on ATEED's behaviours and operations around the office or on-site, and how we manage the environmental, social and economic aspects of our work.
- How ATEED contributes to creating a sustainable Auckland: focusing on how ATEED works with the Auckland Council Group and the business community to align and deliver on Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, how we manage and influence supply chains across the business sector, and how we influence and work with stakeholders and partners.



FIGURE 1. ATEED'S CLIMATE CHANGE AND SUSTAINABILITY FRAMEWORK

ATEED's contribution to Auckland's climate goals

ATEED plays a pivotal role in Auckland's economic development and COVID-19 recovery. Any investments in the economy must focus on building greater resilience to a variety of future shocks and accelerate moving to a net zero-carbon economy.

By doing so, Auckland will be less vulnerable and more adaptive to disruptions caused by climate change, technological change, and global pandemics. By mitigating the effects of climate change through reducing Auckland's emissions, our region will be on the right path to becoming net zero-carbon and climate resilient.

ATEED's contribution to a sustainable Auckland focuses on three areas:

- Accelerate and enable climate innovation
- Support Auckland's move to a more resilient and regenerative economy
- Support businesses to transition to a low carbon economy.

ATEED has also developed the Long-Term Plan (LTP) proposals for the above priority areas to ensure ATEED can deliver on scale, in collaboration with businesses, central government, rangatahi, community members and mana whenua.

Some of ATEED's sustainability pilot projects and programmes have been shared throughout this report, demonstrating ATEED's commitment to supporting Auckland's transition to a low carbon and resilient city.



ACCELERATE AND ENABLE CLIMATE INNOVATION



Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan identifies innovation as one of the enablers of Auckland's successful response to climate change. It is important to have a targeted approach to climate innovation. Part of the solution is to build a platform that manages climate data and knowledge, and by creating an in-person hub that connects people to networking opportunities, climate innovation sprints, trainings and capability building programmes. The platform and the hub should be a partnership between local government, central government, mana whenua, businesses, universities, entrepreneurs, and startup companies.

In preparation of building the platform, ATEED has developed a deeper understanding of the current state of Auckland's climate innovation ecosystem and has started to develop mechanisms that could enhance collaboration and solutions across the ecosystem and across the region.

Through this work a better understanding of the following was achieved:

- large and small businesses in Auckland actively engaged in climate innovation, research and development
- investors engaged in climate innovation
- potential climate/sustainability funding streams available (government, local government and philanthropic)
- support providers (accelerators/incubators) engaged in climate innovation, entrepreneurs and start-ups developing climate innovation solutions
- enablers supporting the development of climate innovation solutions
- not for profit organisations promoting climate innovation and global examples of coordinated climate innovation and;
- how to connect with overseas climate hubs.

CASE STUDY

SUPPORTING BUSINESS TRANSITION TO A CIRCULAR MODEL

In February and March 2020, ATEED in partnership with Circularity delivered XLabs - a circular economy innovation programme, designed to help support Auckland's transition to a circular economy. In 2018, ATEED and the Sustainable Business Network identified a potential \$6.3 –\$8.8 billion in additional economic activity (alongside a 2700 ktCO₂e reduction of carbon emissions) by 2030.

XLabs was designed as a series of five one-day workshops, over five weeks, bookended by two events - a launch and a pitch event. Seventeen Auckland businesses brought real-life sustainability challenges to work on alongside scientists, technologists, and design experts.

The participating businesses were – Auckland Transport, Balle Bros, Bobux International, Centrality, Crunch & Flourish, Dempsey Wood Civil, EV Maritime, Fletcher Building, Foodstuffs, Good Space, Haka Tourism, HEB Construction, Harrison Grierson, Polymer Engineering, The Re-Creators, Ruby and The Warehouse Group.

Due to COVID-19 lockdown restrictions, XLabs moved online, including the pitch when 12 businesses presented their circular solutions to internal and external stakeholders.

Ten case studies showcasing circular solutions have been produced. Examples of solutions are Fletcher Building developing a circular economy framework to close the loop on MDF waste in collaboration with their supply chain and EV Maritime's ambition to have boats in 30 cities in 20 years and to have saved 4 million tonnes of carbon.

These feature on the XLabs website

<https://www.xlabs.nz/>

SUPPORT AUCKLAND'S MOVE TO A MORE RESILIENT AND REGENERATIVE ECONOMY

A regenerative economy ensures that natural resources are extracted no faster than they can be replenished. It also has a distributive approach that focuses on enabling everyone to thrive by providing equal access to economic opportunities and quality jobs with long-term security. It also embraces alternative ownership models such as co-operations and employee-owned companies. Embedding these principles in our economy is increasingly important as we better understand the finite nature of our natural resources and the implications of exceeding our planetary boundaries and the social inequities in our communities.

ATEED is working towards embedding regenerative principles in our economic recovery work and viewing the COVID-19 disruption as a circuit breaker to create systematic change to Auckland's current economic model. The expected outcomes are resilient businesses, creation of green jobs, increasing number of circular by design products and services and reducing environmental impacts caused by our current economic activities.

The Sustainable Business Network estimates that a circular economy for Auckland can reduce 2700 ktCO₂e carbon emissions embodied and generated across the food, transport, and the built environment sector. A regenerative economy can assist in reduction of emissions for businesses and reduce carbon costs in the long term.

CASE STUDY

INTERNATIONAL STUDENTS 'GET INTO NATURE'

ATEED's International Education team, Study Auckland, partnered with social enterprise Got To Get Out to develop the Get into Nature programme. Over the year, this conservation programme inspired 103 of Auckland's international students from 20 different nationalities to protect nature by encouraging them to explore the region and uptake volunteer work at local reserves. International students volunteered to support native tree restoration projects on Waiheke Island at Atawhai Whenua Reserve, Whakanewha Regional Park, and McKenzie Reserve.

The students contributed to Auckland's goal to plant a million trees, and shrubs across the region. This experience has enabled the students to give back to the environment and gain knowledge about flora and fauna, embracing a kaitiaki mindset.



SUPPORT BUSINESSES TO TRANSITION TO A LOW CARBON ECONOMY

Transition to a low carbon economy is the process of moving from an economy that relies on fossil fuels to one that doesn't. Different mechanisms are required to enable the economy's transition, such as putting a price on emissions (e.g. Emissions Trading Scheme), or increasing cost of fossil fuels to encourage a move to low carbon or renewable sources. For example, the government may increase the price of petrol or diesel to encourage the uptake of electric vehicles, and to reduce the amount of greenhouse gas emissions produced due to goods transportation. As a result there may be an increase in the price of goods which in turn may impact some of the businesses. Therefore, businesses need to have the ability to anticipate and prepare for the changes to ensure their viability.

ATEED has a mandate to work with new and existing Auckland businesses to help them start, grow, innovate and export and it recognises the need to support business' transition to low carbon economy as part of this work. However we require additional resources to provide the support at scale. As indicated before, ATEED has prepared a Long Term Plan proposal for this priority area and the level of support for businesses will depend on the amount of funding secured through LTP and other external sources.

CASE STUDY

SUSTAINABLE BUSINESS PROGRAMME – 2018 to 2020

ATEED's Local Economic Development team in collaboration with Green Business HQ has developed and delivered a Sustainable Business Programme in the Waitematā and Albert-Eden local board regions. Over the past two years, this programme has increased the capability of 30 businesses in environmental and sustainable related practices to support business community transition to a low carbon economy.

The participants who signed up were eager to understand and implement sustainability initiatives for their businesses. One of the key concerns was waste management, particularly plastic packaging. They were also interested to know more about climate change impacts and opportunities for their businesses.

There was evidence of businesses implementing sustainability initiatives and setting up key targets to ensure continuous improvement. For example, through participating in the Sustainable Business Programme in 2018, Kings Plant Barn in St Lukes continues to grow as a sustainable business with its commitments to reducing waste to landfill by 27% and decrease its carbon emissions each year by 100 tonnes through diverting 100% of its organic waste to compost by this year. Another example is Rocky's Café in Mt Albert. It completed the programme in 2018, and has since developed yearly sustainable goals of diverting 672 litres of organic waste from landfill to compost, reduce the number of plastic straws by 390, strive to decrease the number of coffee cups to landfill by 1300, and source locally grown tomatoes and herbs served with zero food miles. Source: **Green Business HQ**

ATEED's corporate sustainability response

VERIFYING OUR GREENHOUSE GAS (GHG) EMISSIONS INVENTORY

Auckland Council Group has committed to reducing emissions by 50% by 2030, as part of its pathway toward net zero emissions by 2050. ATEED measured our Greenhouse Gas (GHG) emissions for the first time this year, making FY 19/20 our base year. This is an unusual base year as it includes New Zealand's COVID-19 lockdown, but ATEED will continue to measure annually. The largest emissions sources of ATEED is electricity and travel and transport (Figure 2).

ATEED has developed a simple management and reduction plan to accompany this base year inventory. The plan includes a range of actions, from data quality improvement to communications on how ATEED's people can play a part in reducing our corporate emissions, and ATEED's advocacy role in working with investors. ATEED will not be offsetting its emissions this year as the preference is to focus on reductions first.

The GHG Emissions report, inventory and reduction plan have all gone through a verification audit by Toitū Envirocare, the same verifier used across the Auckland Council Group. ATEED has disclosed its emissions inventory to Auckland Council Group's Taskforce for Climate-related Financial Disclosure (TCFD) reporting.

PILOTING TOITŪ CARBONZERO

ATEED's GHG emissions inventory excluded major events as they are measured in a slightly different way – being held over a shorter timeframe as opposed to over a full year. ATEED will be using the Toitū CarbonZero programme for one of our delivered cultural festivals this year, working toward net zero carbon for all four delivered cultural festivals within the next two years.

ATEED is also further developing existing waste and environmental requirements within sponsored event contracts toward a more holistic approach to sustainability including embedding emission management and climate resilience.

Total GHG Emissions Sources (electricity combined)

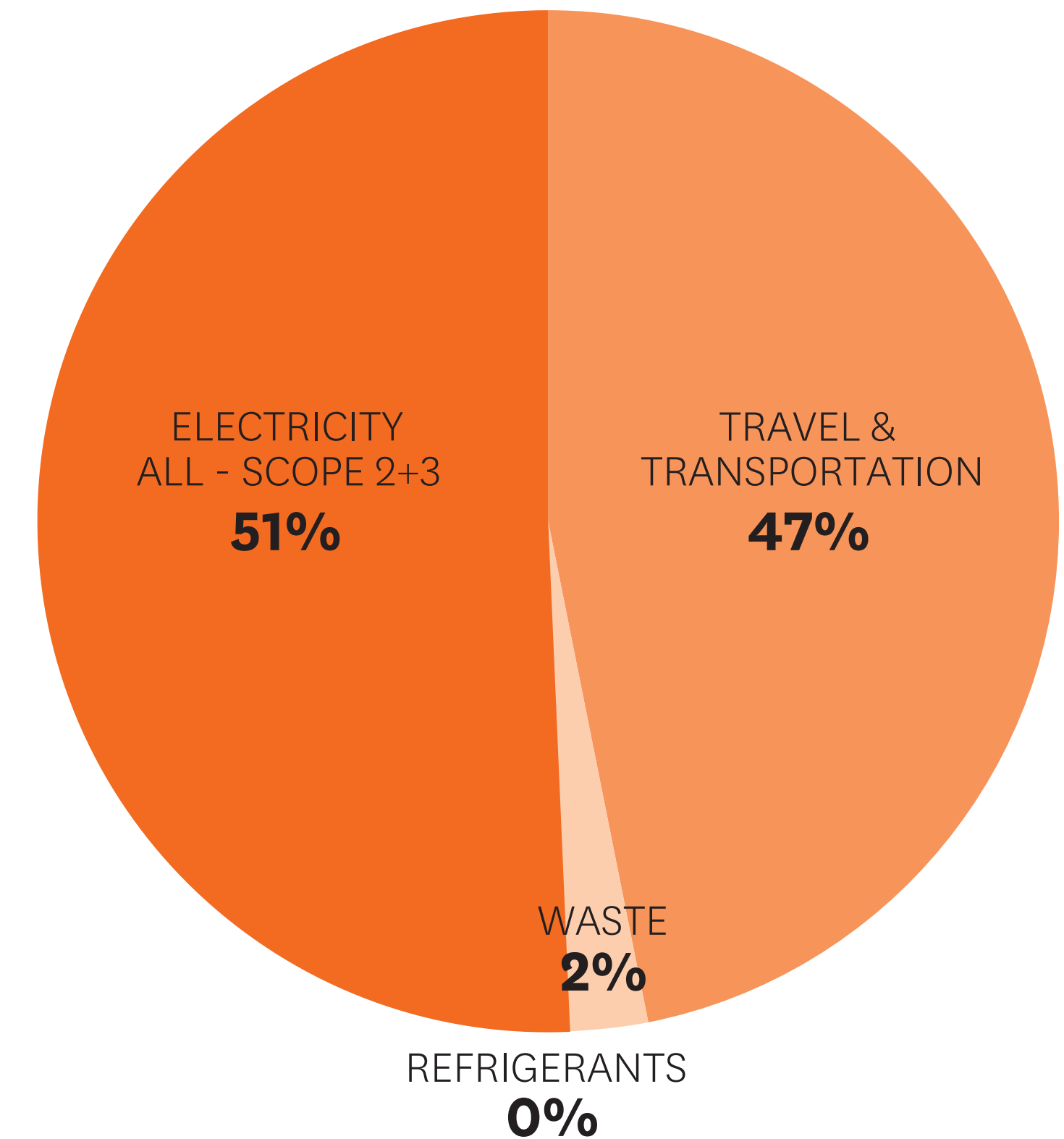


FIGURE 2. ATEED'S TOTAL GHG EMISSIONS SOURCES (ELECTRICITY COMBINED)

ATEED'S ENVIRONMENTAL MANAGEMENT SYSTEM

ATEED is proud to have been awarded the globally recognised Toitū enviromark® diamond certification for our environmental management system in July 2020.

ATEED has had an Environmental Management System (EMS) in place for two years. It has previously been certified gold and earlier this year diamond in the Toitū enviromark® programme. The diamond certification has advanced our EMS to meet and exceed the requirements of ISO14001 - one of the world's best known environmental standards. It ensured consistent and comprehensive reporting, benchmarking and management under international best practice.

Toitū Envirocare Limited audited our environmental management system for our office hubs and delivered major events in June 2020, to ensure it was embedded and working well. It meant we could be confident we have robust internal systems, plans and policies in place and any opportunities for change and improvement are able to be quickly identified.

One part of developing ATEED's EMS was identification of the organisation's environmental impacts, such as waste products associated with procurement choices or greenhouse gas emissions associated with fleet vehicle use. It also included the major events delivered by ATEED as a focus area, and how ATEED influences things such as our visitors and their waste products.

Programmes could then be put in place to reduce the most significant impacts, and also regular internal audits and procedures were in place to kick in if non-compliance was identified.



ATEED is determined to lead by example, ensuring we can demonstrate our own sustainability credentials. Having held Toitū enviromark® diamond certification helps us credibly lead initiatives which are driving sustainable outcomes for the region across many industries - from promoting sustainable tourism to supporting Auckland businesses to be more climate resilient, and connecting innovative enviro-tech business with international markets.

ATEED's Toitū enviromark® diamond certification is no longer valid due to the proposed short form amalgamation of ATEED with Regional Facilities Auckland Limited which is scheduled to occur on 1 December 2020.

INCLUSION OF CLIMATE CHANGE AND SUSTAINABILITY CONSIDERATIONS INTO ATEED'S WORK

In June 2019, Auckland Council declared a climate emergency with the commitment to include a Climate Impact Statement in every political report. ATEED considers climate change impacts and its implications in all projects delivered.

To ensure a move towards a sustainable future and to meet Auckland's emissions reduction targets, as part of the business planning process, all projects in ATEED are required to complete a worksheet that has been designed to help project owners include climate change and sustainability considerations in their projects. This worksheet includes questions on emissions impacts and mitigation, climate change physical impacts and adaptation, impacts on sustainability, and how ATEED works with stakeholders and partners.



Building climate resilience and the economic recovery

HOW DOES AUCKLAND BUILD RESILIENCE TO FUTURE CLIMATE SHOCKS?

To build climate resilience for the economy, Auckland needs to have the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate change that impact the economy. Building resilience to future climate shocks involves evaluating how climate change will create new, or alter current, climate-related risks; then making plans to better cope with the identified risks.

ATEED commissioned experts to deliver a preliminary Auckland Economic Climate Change Risk Assessment (ECCRA) and to explore the implications of climate change related risks and opportunities for economic recovery from COVID-19. The work focused on four key sectors and associated subsectors within Auckland's economy: construction, food and beverage, visitor economy and screen.

The food and beverage sector covers the manufacturing, supply chain, food technology, wholesale, agriculture, horticulture and viticulture subsectors. The construction sector covers the infrastructure, residential and non-residential subsectors. The screen sector covers the infrastructure and filming locations subsectors. The visitor economy sector covers the tourism, business and major events and international education subsectors. The work considers both risks and opportunities arising from physical climate change hazards and from the transition to a low carbon economy (Figure 3).

WHAT IS THE DIFFERENCE BETWEEN PHYSICAL AND TRANSITION RISKS?

Physical risks are direct risks due to a changing climate's negative impacts on agriculture, fisheries, forestry, health and wellbeing of communities and tourism.

For example, storms and drought can damage food crops, and coastal storms can damage infrastructure and buildings, water supply, or disrupt supply chains.

Transition risk is the process of moving from an economy that relies on fossil fuels to one that doesn't. To achieve this there will need to be changes to policy, technology and markets. For example, to move to a low emissions economy, the government may increase the price of inputs such as petrol and diesel to reduce the amount of greenhouse gas emissions produced. If the price of inputs increases, this may increase the cost of transporting materials by fossil-fuel powered vehicles and this may be a risk to the viability of certain businesses.

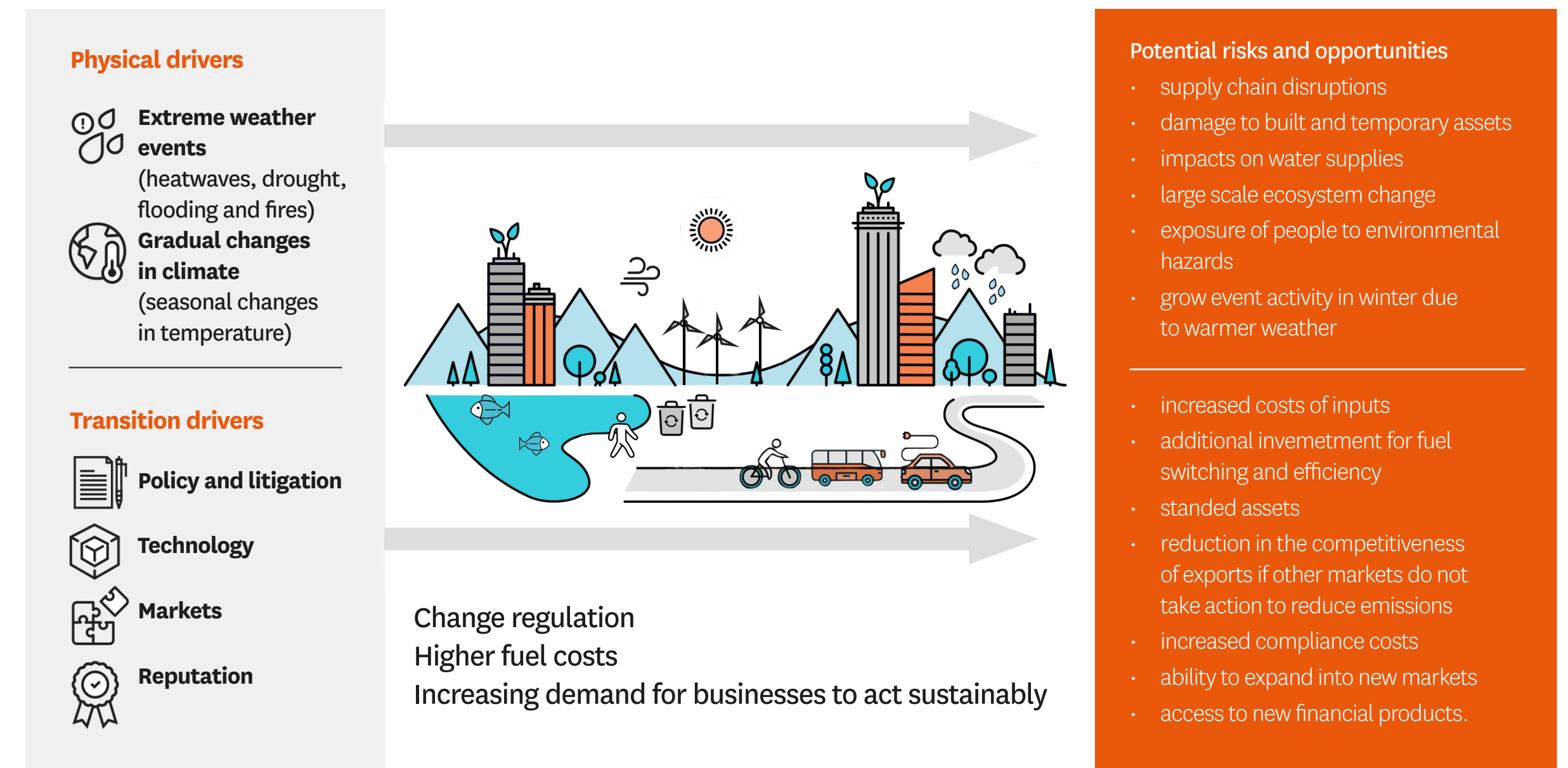


FIGURE 3. HIGH LEVEL SUMMARY OF PHYSICAL AND TRANSITION RISK DRIVERS AND ACTUAL RISKS

What's next for ATEED?

Any investment in a post COVID-19 economic recovery must be future-focused and ecologically sustainable, building greater resilience to a variety of shocks. The response should guide Tāmaki Makaurau Auckland towards a low-carbon and resilient future, aligning with the principles and outcomes of Auckland Plan 2050 and Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan.

ATEED will continue climate-positive ways of working, contributing to Auckland's climate goals by:

- supporting and enabling climate innovation
- working with businesses to have a smooth and a 'just' transition to a low carbon and resilient economy
- committing to collaborate and partner with key stakeholders to ensure everyone's needs and views are considered throughout the process.

ATEED will also continue its corporate sustainability efforts and is committed to contributing to the region's goals as an organisation. Following the Governing Body's decision in August 2020, ATEED and Regional Facilities Auckland Limited will be merged into one organisation from 1 December 2020. Efforts will be focused on developing the new entity's climate change and corporate sustainability framework, including reassessing our Environmental Management System- maintaining the integrity of both organisations' previous sustainability efforts.

INVESTMENT IN THE GREEN ECONOMY

The Invest Auckland team at ATEED supports investors, multinational companies, and entrepreneurs to find business opportunities in Auckland. The team has identified the 'green economy' as a sector of focus to address Auckland's climate change and sustainability challenges. The green economy focusses on embedding regenerative principles by creating and investing in new clean technologies and nature-based solutions to enable a prosperous pathway towards a net zero emission and climate-resilient Auckland.

With Auckland Council declaring a climate emergency and adoption of Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan, climate change is central to decision-making processes and new policies affecting key investment sectors in Auckland.

To date, the team has identified market opportunities in the green infrastructure, waste minimisation, and transport and logistics sub-sectors such as plastic recycling, water recycling and recovery, repurposing construction waste, electrifying heavy duty transport vehicles, and increasing e-vehicle charging infrastructure.

Invest Auckland continues to work on attracting foreign green investment that will enable not only GDP growth, but contribute to Auckland's climate targets. The team is exploring additional success measures to monitor the contribution of new green investment to Auckland's pathway towards a zero-carbon and resilient city.

For more information

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