

Climate Change Response Position Statement

1. Purpose

1.1 The purpose of this document is to provide a summary of Waikato Regional Council's existing policies and positions to address climate change mitigation and adaptation in its decision making. Distinct from regulatory policy and plans pursuant to the Resource Management Act 1991, this document relates to internal council policies and is intended to assist council and council staff to evaluate the climate change implications of its operational decisions in a consistent way.

2. Introduction

- 2.1 The council can make significant and long-lasting contributions to its communities, the natural environment and the region's economy by responding to climate change in a meaningful way throughout all its functions. Therefore, a focus on wellbeing and how we respond to climate change is woven through all our priorities in our 10-year strategy.
- 2.2 The council's climate change response requires efforts towards both mitigation and adaptation.
- Mitigation means reducing emissions and removal of greenhouse gases to contribute towards global efforts to stabilise the levels of heat-trapping greenhouse gases in the atmosphere. Mitigation requires careful balancing of emitting activities that create value for the region.
 - Adaptation means anticipating and proactively responding to climate change impacts that are already happening or are expected to happen, reducing exposure to physical climate risks and avoiding any future activities that increase the exposure to physical climate risks.

3. Principles

- 3.1 The principles guiding the council's response to climate change are:
- using the most up-to-date science
 - ensuring relevance to local conditions
 - working with iwi Māori
 - ensuring an equitable transition
 - collaboration.

4. Local Government Leaders' Climate Change Declaration 2017

- 4.1 The council is a signatory to the *Local Government Leaders' Climate Change Declaration 2017*, which commits the council to:
- develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within council and for its communities; these plans will:
 - promote walking, cycling, public transport and other low carbon transport options
 - help improve the resource efficiency and health of homes, businesses and infrastructure in the district
 - support the use of renewable energy and uptake of electric vehicles
 - work with its communities to understand, prepare for and respond to the physical impacts of climate change
 - work with central government to deliver on national emission reduction targets and support resilience in communities.

5. Council decisions

- 5.1 All council decisions (whether made by the council or by officers under delegated authority) need to consider climate-related impacts and implications, both in relation to reducing the region's greenhouse gas emissions and on increasing resilience to climate impacts. Decisions need to consider whether a mitigation, adaptation and/or leadership response is required.
- a. Mitigation: How the proposed decision will impact on corporate and regional greenhouse gas emissions and, if so, the proposed approach and options to reduce those emissions.
 - b. Adaptation: What effect climate change could have over the lifetime of the proposed decision and how these effects are being accounted for in the advice.
 - c. Leadership: Whether there is a role for the council to lead by example, advocate and encourage others to act.
- 5.2 In its business cases, council staff will consider risks and opportunities for mitigation and adaptation.

6. Adaptation guidance

- 6.1 The *Waikato Regional Climate Change Adaptation Guidelines* are designed to assist council staff, external stakeholders (including consent applicants) and partners to plan for climate change adaptation and to encourage a consistent approach to climate change adaptation across the region. The guidelines contain detailed information, including:
- a. a summary of the projected impacts of climate change on the Waikato region
 - b. a summary of key statutory and non-statutory national and regional policies and guidance on climate change adaptation
 - c. climate change adaptation frameworks and guidance to support decision making in the Waikato region
 - d. scenarios, projections and guidance to inform modelling and scenario analysis in the Waikato region
 - e. links to the key documents that are summarised in the guidelines.

7. Procurement

- 7.1 Council procurement is an important lever and tool to achieve the council's purpose and 10-year strategy. In carrying out any purchasing or procurement activity, the council has an opportunity to lead by example and drive change in our supply chain by choosing sustainable and low-emission options.
- 7.2 Staff and managers must consider sustainability and emission reduction opportunities across all procurement and purchasing activity. Council staff must consider:
- a. how the procurement can be used to achieve wider social, economic, cultural and environmental outcomes
 - b. the sustainability of the goods, services and works over their whole life
 - c. the protection and preservation of the environment
 - d. circular solutions that can help design out waste and pollution, keep products and materials in use and regenerate nature
 - e. how the procurement can reduce carbon emissions, waste and pollution, and contribute to low emissions and circular economies and promote greater environmental responsibility
 - f. how to increase access to council contract opportunities for Māori, Pasifika, regional businesses and social enterprises (social procurement)
 - g. including sustainability and social procurement (where applicable) criteria in all procurement evaluations including tender requests, with a non-price attribute weighting of a minimum of 10 per cent and up to 15 per cent for procurement above \$50,000. Any variation to this weighting must be justified and attached to the tender file.

8. Investment

- 8.1 In addition to following the *United Nations Principles for Responsible Investment*, the council's *Statement of Investment Policy and Objectives* includes a climate change investment strategy, which has four elements: reduce, analyse, engage and search.
- The 'reduce' element involves measuring the council's carbon footprint and targeting a reduced exposure to carbon through active divestment from fossil fuels and other relevant portfolio exposures. Regular monitoring will be carried out on the portfolio to assess the carbon intensity of the portfolio and its resilience to climate change.
 - The 'analyse' element integrates climate change considerations into the investment framework across the portfolio.
 - The 'engage' element involves working with the council's investment managers to help them actively consider climate change in their strategies, encouraging voting to support climate change initiatives within listed holdings.
 - The 'search' element involves actively looking for investments that will benefit from a changing climate or the transition to a low carbon energy system.
- 8.2 The council invests in managed investment funds. Investment managers of these funds are selected by the council with consideration given to their beliefs and practices relating to environmental, social and corporate governance (ESG) matters. The council may also hold investments through pooled funds as an effective and cost-efficient means of accessing some investment markets. For such funds, the council recognises it will have little or no influence over the structure of the product or securities held in the fund. However, the council will share its investment policies with its investment managers for consideration.
- 8.3 Under the *Responsible Investment Exclusions Policy*, the council excludes investment into fossil fuels on the basis that it is known to do substantial and irreparable harm to society and the environment. This exclusion applies to companies with significant coal, crude oil and natural gas reserves as well as companies deriving more than 10 per cent of revenue from the extraction, refinement or distribution of fossil fuels. Investment in biofuels and other forms of renewable energy are not affected. The council may have indirect exposure to excluded companies, as it invests through managed investment funds. However, where commercially prudent and cost effective, the council may exclude investment into funds on this basis.

9. Climate change risk

- 9.1 Climate change risk is one of the council's top 10 strategic risks, with the following risk statement:

There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision-making processes for infrastructure, organisational business, policies, and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.

- 9.2 Climate change is an issue with significant complexity and the potential for fast changing regulatory requirements. If not managed effectively, there are significant risks to our communities, environment, and our ability to operate as an organisation. Therefore, we have a "medium" risk appetite towards climate change, which encompasses us acting now in taking a more proactive approach to understanding changing climate standards and the impact on our strategic direction, while also acknowledging the level of complexity that we as an organisation will need to navigate.

10. Updates to this position statement

- 10.1 The council's Climate Change Response Position Statement will be reviewed regularly and updated to reflect changes in legal requirements, scientific information and risk.

11. Source documents referred to in this position statement

- [Waikato Regional Council's Strategic Direction 2022-2025](#)
- [Local Government Leaders' Climate Change Declaration](#)
- [Waikato Regional Council Minute WRC20-112 25 June 2020](#)
- [Waikato Regional Climate Change Adaptation Guidelines](#)
- [Waikato Regional Council Procurement Policy](#)
- [Waikato Regional Council's Statement of Investment Policy and Objectives](#)