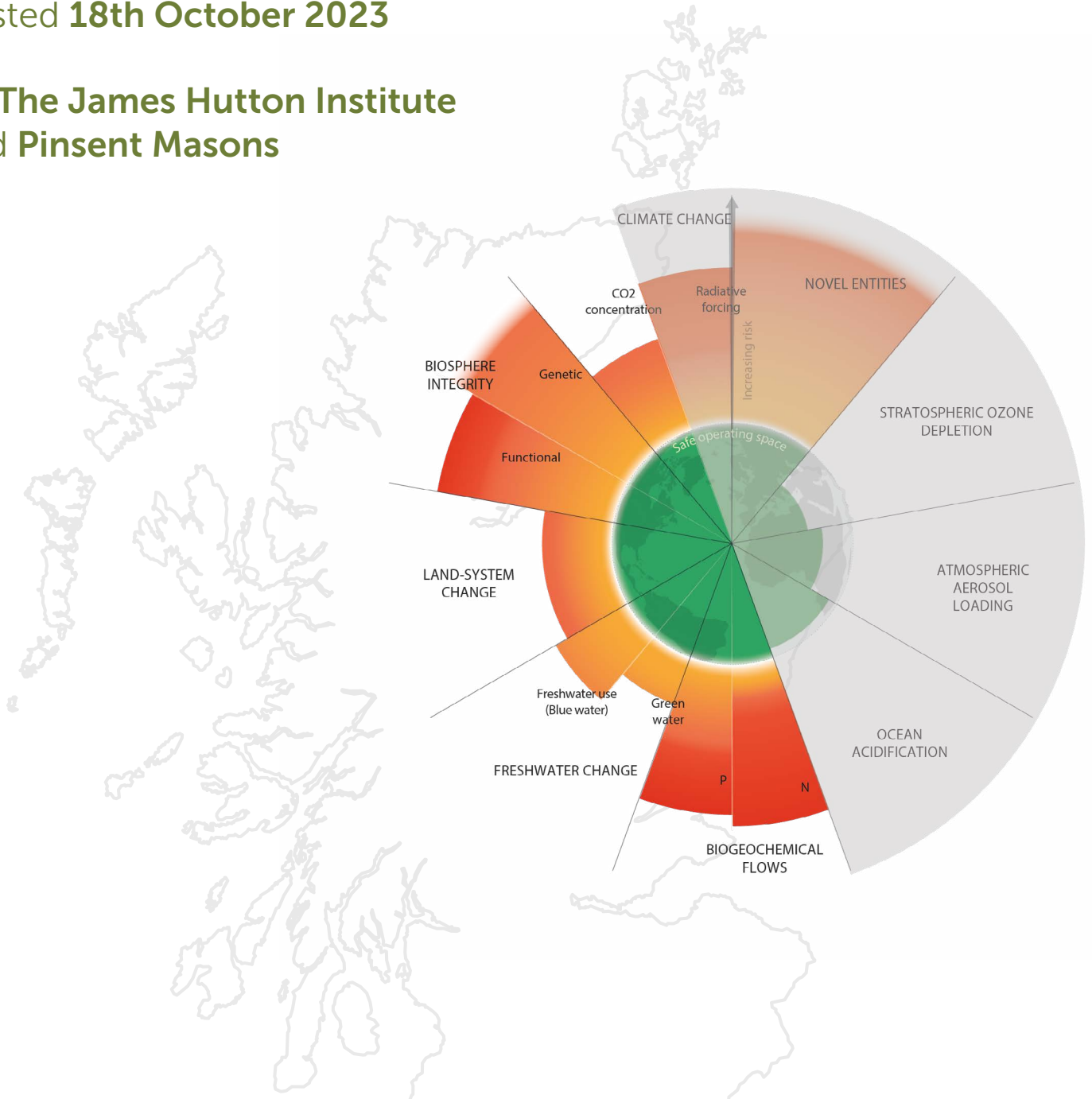


Notes from TB Macaulay roundtable



hosted **18th October 2023**

by **The James Hutton Institute**
and **Pinsent Masons**



Present

Dr Sallie Bailey

FICFor, Deputy Chief Science Advisor for Scottish Government for environment, natural resources and agriculture

Jennifer Ballantyne

Partner, Pinsent Masons' Property Group Head

Professor Sir Ian Boyd

University of St Andrews

Professor Colin D Campbell

Chief Executive Officer, The James Hutton Institute

Caroline Cook

Head of Climate, Baillie Gifford

Scott Davidson

Deputy Director for Social Responsibility and Sustainability and Head of Sustainability, University of Edinburgh

Susan Davies

Chair of The James Hutton Institute and Chief Executive of the Scottish Seabird Centre

Dave Gorman

Director for Social Responsibility and Sustainability, University of Edinburgh

Morgan Hayden

Partner and Head of Sustainable Finance Consultancy, Pinsent Masons

Isabelle Gordon

MDT Trustee

Dr Gary Kendall

Head of Climate Strategy Implementation, NatWest

Ashish Malik

MDT Trustee and Lecturer, University of Aberdeen

Euan McVicar

Senior Climate Advisor, Pinsent Masons

Francesca Osowska

CEO, NatureScot

Kevin Quinlan

Director for Environment and Forestry, Scottish Government.

Dr Mike Rivington

Senior scientist, The James Hutton Institute

Professor Johan Rockström

Professor of Earth System Science, University of Potsdam and Director of Potsdam Institute for Climate Impact Research

Professor Deb Roberts

Deputy Chief Executive and Executive Director of Science, The James Hutton Institute

Tara Schmidt

Sustainability & ESG Finance Director, Lloyds Bank

Sara Thiam

CEO, Prosper (formerly Scottish Council for Development and Industry (SCDI))

Fran van Dijk

Chair of MDT and CEO of One Stone Advisors Ltd

Professor Mat Williams

Chief Scientific Adviser for Environment, Natural Resources, and Agriculture

Professor Alan Werritty

MDT Trustee and Professor Emeritus of Physical Geography, University of Dundee

Scott Wright

Scottish Affairs and Devolved Nations lead, Pinsent Masons

Purpose

The purpose of the meeting was described as exploring how we socialise issues of climate and environmental transition and whether applying the concept of planetary boundaries can assist with this.

Some initial thoughts on planetary boundaries were offered:

- Climate science, especially in exploring the planetary boundaries, has made massive advancements in the last 15 years, exploring and defining the safe operating space of the earth system. However, the forces regulating earth systems are reaching the limit of their efficacy.
- There is an urgent need to redefine the global commons and think about the tipping points. For each of the nine planetary boundary processes, one or more control variables are defined, six of the nine boundaries are outwith safe operating space, and earth is losing its resilience.
- We need: Collaboration. Transparency. Trust.
- We know planetary boundary science supports policy at a global level, but what about other spatial scales? For example, New Zealand is trying to create a plan based on these boundaries as has Finland and Switzerland is now working on this too.



Discussion

The context

- In Scotland we accept there are both climate and nature crises, but we need to realise it's a polycrisis and expand our thinking – in Scotland we are probably breaking five of the planetary boundaries.
- The unequal distribution of impact requires consideration: at present it affects the Global South more than Global North.
- We are going into a danger zone and must adhere to precautionary principles and opportunities for society, note the risk and use it within decision-making frameworks.
- In 2022, 56% of the carbon has been absorbed by natural carbon sinks such as land and ocean.
- There has been a lot of progress since the 1990s and we should communicate this more through procurement conditions, but we need fuller disclosure around this.
- How much time do we have to bring about change and who is driving this transition?
- We must show how changes bring benefits – the examples of livestock farmers was given where planting trees can provide shade and shelter and so protect livestock from future extremes; and also using climate change projection maps to give strategic insight to those businesses that depend on natural capital and specific weather envelopes (e.g. whisky industry).
- Fundamental new thinking has to happen as does a big conversation that heralds a second enlightenment.
- We stack new energy sources on top of existing ones, and we continue using older sources. This is the first time in human history where we need to voluntarily relinquish high quality energy sources such as gas, oil and coal in favour of new sources.
- Are we confusing precision with accuracy?

Encouraging engagement

- Communication is key – we can't wait and tell stories of the past we must tell stories of the future climate.
- Although a lot of good work is happening, we haven't touched public understanding, decision making or institutional understanding as to why this is important. Using the concept of planetary boundaries could help with this.
- Is the messaging wrong? How do we make it meaningful to people so that they respond and connect? Do people truly understand the implications of this issue?
- Systemic issues of engagement must be addressed.
- The implications of transition to net zero and what this means for the individual requires changes to consumption, travel, diet, the economy and business.
- Scottish Government probably needs to be more directive.
- Should we be considering a truth and reconciliation process to address entrenched behaviours? Until we do, we can't understand the risk.
- Communicating planetary boundaries is essential if we are to take the public along with us.

Institutional challenges

- Many are basing investments on past behaviour as opposed to future. Financial institutions need to think about opportunities of investment and not the risks.
- How do we translate to banking systems? Can we get bankers to think more like scientists and engineers? How do we embed into processes?
- Insurers are good at working with and communicating worse case scenarios. How do we use their approach to insure ourselves and communicate better?
- How do we change the mindset from insuring ourselves through the public purse?
- We have not pushed the risk off to the private sector.
- This is not incremental change that's needed. It is significant, massive change.
- Most difficult place to collaborate is finance as it requires tactical moves.

Implications for economy and business

- Economics requires a complete rethink and to be retaught.
- Properly costing the real social and environmental cost of fossil fuels is required as this will generate transition and hold all the major stakeholders to account.
- Business in Scotland has been considering aspects of this through the Business Purpose Commission and which considers environmental and social outcomes.
- Do we need to consider reviewing the Companies Act and how businesses are reporting and what they are reporting on and how this fits into regulations.
- Do we introduce a system where customers won't buy a product unless it is compliant?
- We need standards and accountability.
- Global change is a social equity problem. It's economic and environmental.
- We're asking private enterprise to internalise a cost which would usually be externalised.
- We need a revolution where economy is not at centre of concern but at the periphery.



Reflections

- An incredibly rich discussion that benefitted from the diversity of those present.
- First time in human history we have to relinquish resource and need to do before the fact.
- Need to deviate before we cross the irreversible.
- This is only possible through science – it's the only tool we have.
- Examples of companies which are operating using planetary boundaries for competitive edge: Houdini clothes, Mercedes Benz.
- Talk about planet and not climate – easier to understand.
- Need to talk about planetary stewardship as the default and as if its common sense.
- Need to balance risk analysis and talk about opportunity and positive tipping points as much as negative.
- We need to know what it takes to keep the planet in a stable state and communicate this to everyone.
- We have about 30 years to manage this, otherwise we risk irreversible damage. We can measure this time either by impact or commitment – the need to recognise the issue has a much shorter time frame.

There was general agreement that the format of this discussion had been productive and there was willing from those present to continue the conversation.

Summary

- A radical change is needed to communicate the urgency of the situation we are in, the risk and the opportunities and how little time remains before irreversible change happens.
- We need to recognise progress has been made in last decades but also there is need for greater fundamental change at every level of society – individual, organisational, governmental.
- Systemic change needs to happen in the business/financial/investment/banking worlds with greater onus placed on changes in practice by private companies with reward for those who change.
- Scottish Government needs to lead this change and to place planetary boundaries and planetary thinking at the centre of all future policy development and practice.