



Inspiring the next “material revolution” by creating sustainable and high-performance materials from oil palm waste, **Peter Fitch** together with IOI have set up IOI Palm Wood to commercialise this untapped potential.

Adapting to the new normal

We are facing the second year of the COVID-19 pandemic that has killed over four million people so far. The COVID-19 pandemic has been a crisis occurring in the midst of another challenge – climate change. For many people throughout the world, health and economic recovery have been top priorities.

While climate change has not made any sensational headlines, it is a very serious long-term challenge. Former United Nations (UN) Secretary General Ban Ki-moon once stated: “We are the first generation that can end poverty, but the last that can end climate change.”

On last year’s World Environment Day held on 5 Jun 2020, the Race to Zero was launched to bring together a coalition of net zero initiatives in the race to a zero-carbon economy to build a healthier, cleaner, safer and more resilient world for future generations. The next UN Climate Change Conference (COP26) will be a virtual session chaired by the UK at

the end of October. Ominously, the current UN Secretary General Antonio Guterres said: “Rather than progress, we are moving farther away from our goals. And with the global temperature increase already at 1.2 degrees, we are on the verge of the abyss.”

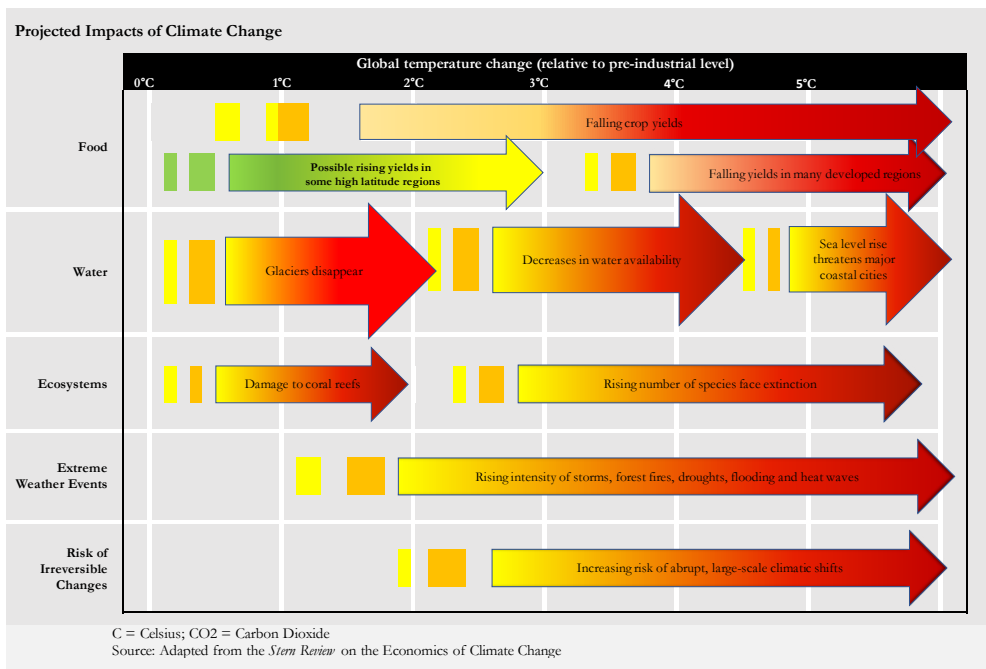
COP26 has the following stated goals:

1. Secure global net zero by mid-century and keep 1.5 degrees within reach

Countries are being asked to come forward with ambitious 2030 emissions reductions targets that align with reaching net zero by the middle of the century.

To deliver on these stretching targets, countries will need to:

- accelerate the phase-out of coal
- curtail deforestation
- speed up the switch to electric vehicles
- encourage investment in renewables.



our engineered panels. Many of you will have heard the slogans of “Zero Carbon Emission” or “Carbon Neutral”, which most responsible companies aim to achieve by 2030. However, we are looking to go beyond this and to become Climate Positive, which means that a business or activity goes beyond achieving net zero carbon emissions to actually create an environmental benefit to the atmosphere.

Our ambition is to become a zero-carbon business by 2030 and a climate positive business by 2050, and we believe that shifting to a circular business model will help get us there. When we work to prolong the life of our materials and products, we help to decrease the footprint by reducing the number of new materials being produced and the amount of future waste. We’re designing our panels and products from the very beginning to be reused, refurbished, remanufactured and eventually recycled, by applying our circular product design principles during the product development process.

There are good and sound business reasons to do this:

- 1. The climate emergency is a huge risk to all our businesses**
The sound, long-term business

2. To protect communities and natural habitats

The climate is already changing and it will continue to change even as we reduce emissions, with devastating effects.

At COP26, we need to work together to enable and encourage countries affected by climate change to:

- protect and restore ecosystems
- build defences, warning

systems and resilient infrastructure and agriculture to avoid loss of homes, livelihoods and even lives

Climate Change is a global fight, but the important point is that everyone needs to step up and play their part.

At IOI Palm Wood, we are once again highlighting the benefits of

management strategy would suggest that you do what you can reasonably afford to reduce that risk. Raw materials are becoming a significant and real problem for the timber industry in Malaysia.

2. The legal and economic framework is changing

- Malaysia has pledged to reduce its greenhouse gas emissions intensity of the GDP by 45% by 2030 relative to the emissions intensity of GDP in 2005.
- In April 2020, the Streamlined Energy and Carbon Reporting regulations came into force, requiring all large businesses to include a carbon footprint in their annual return.
- In 2019, the International Monetary Fund said that “carbon taxes are the most

powerful and efficient means of decarbonising economies”.

- Carbon Tax looks set to arrive in the near future. In April 2019, the Department for Business, Energy and Industrial strategy calculated that we may need a carbon price of US\$90 per tonne by 2030.
- The need for the government to fund the huge borrowing it has made to tackle the COVID-19 pandemic means it will be looking for new ways to increase its income, including a carbon tax.
- There is pressure from industry. Leading international businesses have informed the government, asking them to prioritise “green” solutions in economic recovery.

3. Customer expectations are changing

The consumer reaction to the way businesses have responded to the pandemic has shown that they reward those businesses whom they see are getting involved in solving problems. Survey after survey shows that people and businesses want to buy green. They want to buy from businesses taking our environmental problems seriously. Large companies within our sector such as IKEA have stated that they will become Climate Positive and demand the same from their supply chains.

4. We have to ADAPT to thrive:

Accepting that change must happen.
Defining the problem at hand.
Addressing or businesses to the new normal.
Planning for the future scenarios.
Thriving once we take the opportunities that have presented themselves. **P**



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