



MOORE EMR TRANSITIONS

October 2021



MESSAGE FROM GLOBAL LEADER

Welcome to the latest edition of Moore EMR Transitions.

I am excited as this sees the launch of our new Transitions format. Whilst still including written content, it now contains video and audio content. We hope to continue to evolve the format as time goes on to provide you with a more interactive experience.

This edition of EMR Transitions discusses two very pressing and emerging topics of Cyber Security and ESG. Both are already being felt across the sector and are growing in their impact every day. Listen to Benn Davis, Moore ClearComm, as he issues a Cyber wake up call, and Alexa-Rae Sebba, Moore Johannesburg, as she challenges us to care!

There are also a number of other items providing commentary and outlining approaches to assist you meet your everyday demands. Another feature are local updates which provide an overview of the state of the sector from around the globe.

I hope you enjoy our new version of Moore EMR Transitions. We would be very pleased to hear your thoughts, whether they be good, bad, or otherwise!

As always, our Moore member firms are ready to help you with your business needs. Please contact any of the team if you have any questions and/or would like to discuss any content.

Don't forget to also check out our EMR Summit Series which has a more in-depth look at the topics of net-zero, ESG and Cyber Security. Links to register are found within the newsletter.

Thanks, and enjoy!

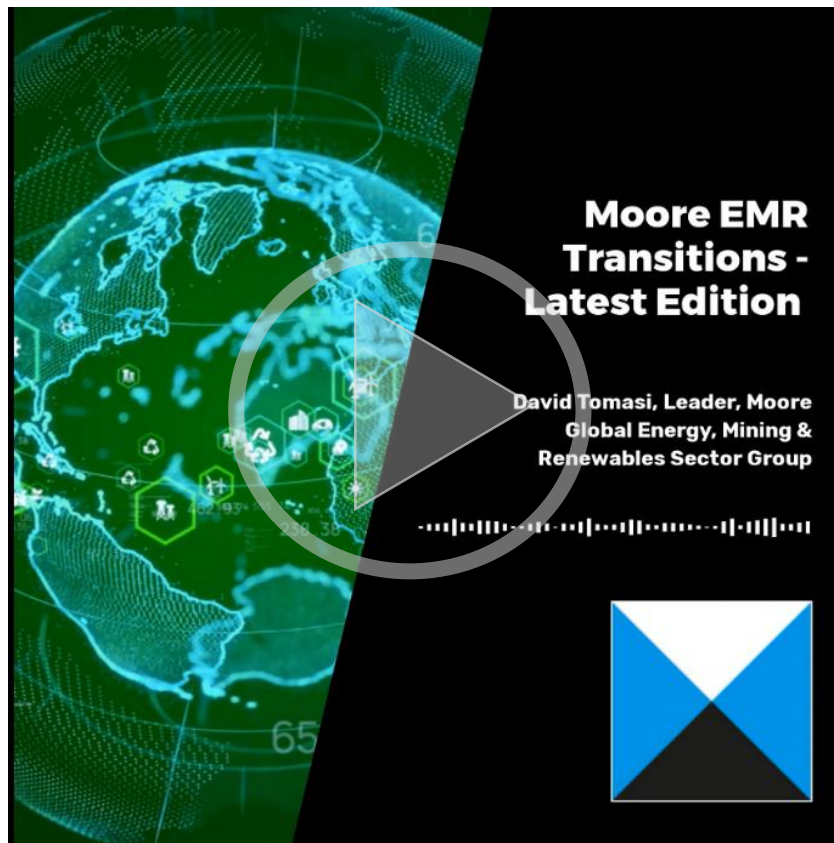


DAVID TOMASI

Sector Global Leader

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A CYBER WAKE UP CALL!

As we approach the EMR Summit Series at the end of October, Benn Davis talks about the urgency of Cyber Attacks in the sector and gives an insight on what is to come in the Summit.

As the sector continues to face the growing threat of a cyber-attack, organisations must look inwardly and ensure they have developed a framework to help mitigate against the risk.

We look forward to your joining us at the EMR Summit.



BENN DAVIS
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PERU THE FUTURE OF MINING

Nowadays PERU concentrates a large level of the entire world metals reserves. In the coming years, renewable energy technologies will demand a greater use of those minerals compared to current forms of electricity generation.

"Here is my overview of PERU, its mining industry and the future." Alberto Viale



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AUDIT WIN OF GLOBAL £1BN+ REVENUE METALS GROUP

We have won the global audit for a group which both manages metals supply chain risk and supplies metals and associated value add products. The group is headquartered in London and has significant operations in Europe, Asia and Australasia. The proposal was a joint effort of our teams across the Moore network.



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HYDROGEN - HYPE OR HOPE?

Western Australia is blessed with both abundant reserves of cheap, efficient, low-emissions energy from conventional sources, and the opportunity to diversify our economy to export new energies to the world. The economic imperative for cheap, reliable energy to households and industry is timeless – the way in which we meet that imperative is a live discussion.

In setting policy frameworks that allow supply competition, consumer choice and employment flexibility, I see private capital efficiently solving the continuing needs for energy at home and creating whole new industries to export to the world.



Hydrogen has, in recent times, become synonymous with the discussion of our energy needs tomorrow. Unfortunately, in my view, the debate has skipped the very important question of technological development and is already mired in the politicisation of who can build hydrogen refuelling stations faster – the reality could not be further from that as global production of hydrogen amounted to 70 million tonnes, and LNG production was 360 million tonnes. The difference is even more stark when you consider that less than 1% of hydrogen production was for energy use, meaning the energy market for LNG is more than 500 times bigger than hydrogen today.

One of the biggest consumers of hydrogen for energy uses in the USA is Amazon, which has committed to net zero by 2040 and introduced hydrogen fuel cell forklifts.

Last year, Amazon's estimated 1.6 million trucks in its distribution fleet emitted 9.4 million tonnes of carbon.

To replace those trucks with hydrogen vehicles would require 35 million tonnes of hydrogen fuel, which is not only a 50% increase in the global demand for hydrogen with only one large customer alone, but also without a clear technology and infrastructure roadmap. Amazon itself has admitted that the technology for hydrogen in heavy vehicles is "lagging" with the details of that to be defined "further in the future".

This is emblematic of what too many "visionaries" are guilty of in calling for sweeping net zero targets without a plan to get there – the technology does not support the vision just yet.

For Western Australians, the excitement of a hydrogen economy overlooks one key weakness – wherever you have renewable power and water, you can have green hydrogen. We have a strategic advantage with LNG and coal, because we are blessed with sovereign deposits on our soil. This doesn't necessarily exist in a hydrogen world, and we are potentially hamstrung by the tyranny of distance. The largest hydrogen ship in the world today carries 1,250m³ of hydrogen, whereas the largest LNG ship in the world is 212 times bigger. There is no certainty that hydrogen is the next LNG, which has poured billions into Government coffers over decades, and provided lucrative careers for tens of thousands of Australians.

Don't get me wrong – I am excited by the potential for hydrogen to offer us a whole new industry and thousands of jobs, however, I am mindful that there is a long way to go yet. We mustn't bet the house on an outside chance.



SENATOR BEN SMALL

Senator for Western Australia
Parliament of Australia

MOORE GLOBAL'S EMR SUMMIT SERIES – IT'S NOT EASY BEING GREEN!

Moore Global is pleased to present the Moore Energy Mining and Renewables Summit Series, a collection of thought leadership pieces addressing issues and opportunities within the EMR landscape on a global scale.

We hope you join us as we explore these timely topics, including net-zero, ESG, and the big cyber wake-up call – purpose of connecting and communication for businesses beyond boundaries.

Our Global sector leader, David Tomasi will host a series of conversations with panels of experts in Energy, Mining, and Renewables. These three insightful sessions are scheduled for Wednesday, 27 October, 2021 beginning at 12:00 London time.

The sessions will be premiered on our [YouTube channel](#) and the panels will be available for LIVE CHAT during and after the sessions.

We would love you to attend and for you to share the invitation with your colleagues and clients.

[Register Here](#)

Speakers

Take a look at our speakers scheduled for this event



David Tomasi
Managing Partner
Moore Australia (WA)



Benn Davis
Managing Director
Moore Kingston Smith



Justin Varnon
Partner
Armanino LLP



Kylie Maher
Partner – Governance
and Risk Advisory
Moore Australia (Vic)



Mary Tressel
Executive Director
Armanino LLP



Mark Salway
Managing director,
Nonprofit Advisory
Moore Kingston Smith



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Regional Director,
Europe
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Christine Eder
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Moore Interaudit
Wirtschaftsprüfung
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Matthew Meadows
Partner
Moore Kingston Smith



Pinelopi Kassani
Partner
Moore Greece



Olivier Barbeau
Managing Partner
Moore Johannesburg
Inc



Kate Siegrist
Partner
Lurie LLP



Roland Main
Editor, Moore
Intelligence
Moore Global





RENEWABLE SOURCES OF ENERGY

Our client has successfully developed a commercially and economically viable process for the cultivation of micro algae and extraction of crude algae oil, on an industrial scale. The process developed delivers exponentially higher yields, hence, highly cost-effective commercially.

In conjunction with the client's initiatives to obtain financing from various potential financial institutions for operational expansion, we were engaged to independently design and perform agreed-upon procedures on the client's capital expenditures, sales and finished goods inventory for specific period ends, and report the factual findings resulting from the procedures.

The procedures, though not an assurance engagement, plays an important role to facilitate the evaluation by the potential financial institutions, aim to enhance the financial institutions' comfort level on the financial information and key operational variables. These form the basis to the client's forecast of financial performance for the coming years that demonstrates promising growth opportunities, which is the major concern of the financial institutions.

We are glad that our work adds value to client's expansion plan in a way that strengthens their business case and enhances the opportunity of securing the desirous funding to expand their facilities, ultimately capturing the escalating market demands and business growth. Business aside, the satisfaction derived in playing an indirect and little role in offering a cleaner fuel alternative with lower emissions to the world, is no doubt, is indeed, priceless!".



DENNIS CHONG

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ESG – DO YOU CARE?

ESG has become a hot topic of conversation. Frameworks and legislations to ensure compliance in the Environmental and Mining sector are available in South Africa and worldwide. However, even with these frameworks in place there is still a lack of compliance.

If frameworks and legislation are in place and there is still a lack of compliance, it is quite possible that the lack of compliance is linked to a lack of intrinsic value for these issues and quite frankly, a lack of care.

So, the question is, how do we make people care enough to ensure that their organisation has an ESG framework in place, and that they stick by it and show their investors, customers, and clients that they actually care too?



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THE ON-GOING DRIVE TO ACHIEVE NET-ZERO

The UK has committed to a legally binding target of net-zero carbon emissions by 2050 (2045 in Scotland) and has introduced a policy framework centred on “build back better” and a “Green Industrial Revolution”. This will see an increased focus on the delivery of non-emitting renewable energy technology as part of the decarbonisation of the energy supply, but also a focus on decarbonising industry across the board.

The Energy, Infrastructure & Sustainability team at Johnston Carmichael, led by Mark Stewart, comprises experts in corporate finance, tax, capital allowances, accounting and audit services who provide our clients with deep sector expertise and a proven track record of completing deals both within the UK and internationally.

Johnston Carmichael is in the process of joining Moore Global and are currently engaged in the membership process.

[READ MORE](#)



MARK STEWART
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ESG. TIME TO EMBED, ENGAGE & EVOLVE

Sustainability has been a key focus of Boards and Executive for many years. With the focus of effort on target setting, reporting obligations and achieving compliance. The resourcing, assurance and spend have all been applied to reporting accuracy. Is this what will drive real change? Expectations are changing fast and organisations need to meet these expectations for their own sustainability.

A regulator led approach to ESG does not make for good strategy. Compliance focused, tick the box ESG will not deliver your outcomes. We are seeing this failure clearly in Australia. In 2021 already we have seen Rio Tinto accidentally mine sacred indigenous caves, we have a large legal class action commenced against the Commonwealth Bank for continual failure to deliver on their ESG targets and mounting evidence of financial and workforce impacts in many organisations where they have not prioritised ESG. These are organisations that did in the past spend big on sustainability compliance and reporting.

The community expects more, your investors will demand more and your employees will leave for more.

The three pillars of sustainability are Environmental, Social and Governance (ESG) and it is critical that you need to focus on all three across all elements of your operations. ESG must be prioritised and aligned in your strategy, governance, engagement and culture. You need to invest in monitoring, enabling and alerting tools to prioritise and flag emerging and escalating risks for mitigation and response. Your ESG framework needs to be mature, proactive, embedded and evolving beyond compliance. We have developed an ESG maturity framework that can assess your current state, identify gaps and opportunities and define your workplans to embed, engage and evolve. Our framework has been developed from the learnings of failures and successes in ESG, it is risk based and designed for achieving ESG outcomes. It provides a roadmap to real

change. A target future state where there is optimization of all elements of ESG. Long term sustainability.

Key questions to guide your assessment of your ESG maturity:

- Have you set your ESG risk appetite?
- Are your ESG targets outcome based?
- Are you seeking innovation, staff participation and client voice in defining your ESG strategy?
- Your values, cultures and conduct are all aligned on ESG principles?
- Have you invested in ESG enabling tools?
- Do you have a ESG risk register for monitoring?
- Performance goals, management and incentives are focused on ESG outcomes?
- Have you defined your ESG future looking, predictive data analysis tools and reporting?
- Are all your stakeholders aligned and engaged on your ESG priorities?
- Contractors and suppliers all partners in your ESG delivery?
- Do you have ESG consequences in your risk framework?
- Are you capturing ESG incidents, near misses and emerging risks?
- Are you receiving emerging and escalating ESG risks in your reporting?
- Do you have strategy, workplans and monitoring reporting for ESG?
- Are you assuring on your ESG controls and frameworks, not just reporting content?
- Is your reporting designed for compliance or is it telling the real story?



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AGILE GLOBAL COLLABORATION FOR ERP SUPPORT



MOORE Insight have 30 years of expertise in driving efficiencies and knowing what good looks like across the Enterprise Resource Planning (ERP) landscape and “making systems work” for our clients. We can meet the needs of Energy, Mining and Renewable organisation’s requirements through full optimised and fit-for-purpose solution(s) configuration. We understand the unique reporting and regulatory requirements through our business analysis methodology, supporting organisations to properly implement, optimise, configure, design and integrate one or multiple systems. We are also data migration experts, with the ability to extract, transform and load data securely into any new system, helping clients to reduce downtime through a phased process and improve the overall data integrity so that our clients can make key decisions.

The below are our WhitePapers, just not specific to an industry.

- [What is ERP? An Expert Guide](#)
- [What is ERP? Podcast with Brian](#)
- [ERP Health Check & Optimisation Brochure](#)
- [The top benefits of an ERP Health Check](#)



KATE HILL
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IS LNG THE ANSWER TO SUSTAINABLE SHIPPING?

Shipping would be the world’s sixth largest polluter if it was a country. Powering vessels with LNG could cut emissions by 30% but it is controversial.

Listen to the full conversation between David Tomasi, Moore’s Global Leader in Energy, Mining and Renewables, and Nick Bentley, Founding Director of Oceania and BE&R.



NICK BENTLEY
Founding Director of Oceania and
BE&R

HOW TO IMPROVE YOUR SUPPLY CHAIN PROCESS TO WITHSTAND FUTURE DISRUPTIONS?

In May 2021, the Centers for Disease Control and Prevention (CDC) surprised the U.S. by announcing that masks were no longer required for people who are fully vaccinated against COVID-19. It was phenomenal news for those who endured 14 months of COVID-19 restrictions. It also created a massive disruption in the world's supply chain as businesses suddenly reopened to full capacity with little warning.

With the abrupt policy change, restaurants reopened to increased capacities, consumers returned to retail stores, construction continued to flourish, and travel and hospitality gained much needed traction. These are all fantastic changes in consumer behavior and much needed for the economy, however, businesses struggled with labor shortages, access to supplies and significant freight and logistics challenges.

Several challenges include well-known shortages in electronic chips for automobiles causing increased delays for an industry already reeling from the pandemic; lack of access to containers causing companies to air freight items at significantly higher costs to have sufficient supply; and containers being sold off in auction-like settings at anywhere from five-to-10 times their historical costs. All of these challenges are short term, but will cause significant complexities over the summer months as companies forecast a return from COVID-19.

The aforementioned economic factors are creating drastic upward price pressures on almost every industry with companies continually asking the question, "Can I pass these increased costs to my customer?"

Ultimately, we are in an environment where the laws of supply and demand hold true. For certain products, customer preferences have shifted so strongly to product availability and timing, that pricing pressure has been a secondary focus. It is seen in the construction industry where product costs have increased so greatly coupled with an extremely strong demand in the housing market, that costs have spiked beyond manageable pricing as supply is extremely limited.

All of these increased costs are fueled by massive worldwide economic stimulus packages offered by governments creating massive influxes of capital into economies to allow companies to survive during the pandemic. What may result, depending on future economic policies, is inflation and how companies manage their inventory levels will be crucial once this shock to the economic system subsides.

[READ MORE](#)



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SOUTH AFRICA' MINING AND ENERGY FUTURE!

Olivier Barbeau, Managing Partner, Moore Johannesburg provides an update on the impact of the electricity disruption and the impact on the mining sector in south Africa.



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TRANSFER PRICING BRIEF FROM MOORE ASIA PACIFIC

Welcome! Thank you for picking up our first Transfer Pricing brief from Moore Asia Pacific!

While the world has been witnessing COVID-19 roaring across the globe since early 2020 and a Delta variant hitting us even stronger in the second half of 2021, in the professional world, the tax experts from Moore Asia Pacific have been reaching out to each other and building a better tax community across the region.

[Download Here](#)



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WHAT SHOULD THE WEST DO NOW IN AFGHANISTAN?

The alarming scenes of airlifts at Kabul Airport suggest that Afghanistan may descend once again into chaos and civil war. The country remains on a knife-edge and decisions taken now by the Taliban and Western governments could derail hopes of building a just and prosperous society in the months and years ahead.

However, the pictures beamed to the world tell only part of the story. While two decades of progress in education, women's rights and civic freedoms are now uncertain, not all Afghans are mourning the passing of an aid-based economy.

Moore Afghanistan is a key player in this unfolding drama as it is the only major professional services firm still operating normally in the country. Having provided financial services to 700 international organisations for 12 years, Moore has acknowledged expertise in building and running nationwide systems that are efficient and free of corruption.

From our unique business perspective, however, we have seen first-hand how many elements of aid packages over the years were well-intentioned but often proved counter-productive.

For example, diesel generators were flown in for Kabul's electricity but Afghanistan's climate, topography and plentiful water are ideal for investment in pollution-free solar, hydro and wind power that could satisfy local demand and be exported to neighbouring countries.

In agriculture, generators installed at state-of-the-art cold storage units were intended to make businesses more efficient and profitable but ended up costing farmers more than the revenue they earned selling their chilled fruit.

So, what is to be done?

[READ MORE](#)



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MOORE REGIONAL EMR UPDATES

LATAM RENEWABLES OPPORTUNITIES

"Given the challenges the energy, mining and natural resources industry is going through, **LATAM** presents all the conditions to become a renewable energy center with great potential in green hydrogen." says Samuel Tenorio.

This potential has been described by the Economic Commission for **Latin America** - CEPAL, where the urgency of the transition towards renewable energy with full social inclusion was highlighted. The growth of the sector would provide access to electricity to millions of Latin Americans who are currently without access to power, clean water and other basic services.

"Countries such as Argentina, Brazil, Chile, Peru, Bolivia, Costa Rica and Mexico have great potential to develop a competitive green hydrogen industry" says Tenorio. "The Moore members in the Region are working with their clients to assess the future plans for a more sustainable future."



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OMAN ENERGY FUTURE



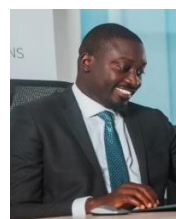
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AUSTRALIA - CAPITAL MARKETS UPDATE



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EXCITING OPPORTUNITIES IN SENEGAL!



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MOORE GLOBAL NETWORK

At Moore, our purpose is to help people thrive – our clients, our people and the communities they live and work in. We're a global accounting and advisory family of over 30,000 people across more than 260 independent firms and 110 countries, connecting and collaborating to take care of your needs – local, national and international.

When you work with Moore firms, you'll work with people who care deeply about your success and who have the drive and dedication to deliver results for you and your business. You'll have greater access to senior expertise than with many firms. We'll be here for you whenever you need us – to help you see through the maze of information, to guide you in your decisions and to make sure you take advantage of every opportunity. To help you thrive in a changing world.

CONTACT US

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