

# BWD

AdaptNSW Forum Session  
Communicating the importance  
of climate change

Wednesday 2 November



Luke Heilbuth  
CEO



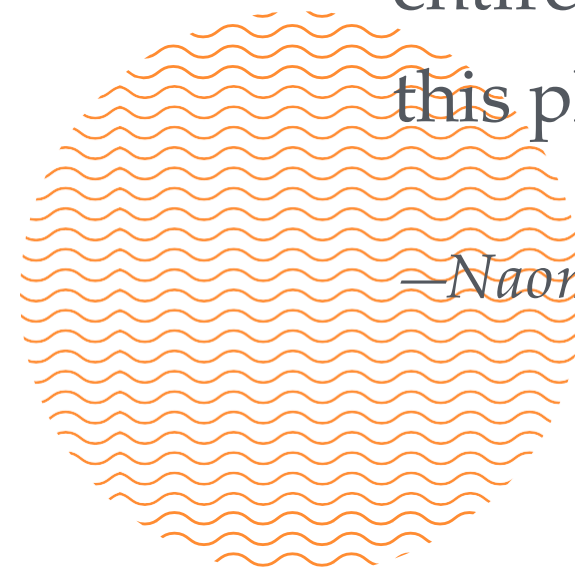
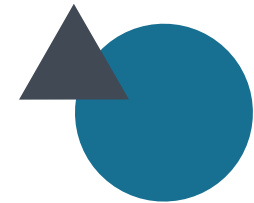
— Why does it matter? —

# Why does it matter?

Not just another issue

Because, underneath all of this is the real truth we have been avoiding: climate change isn't an "issue" to add to the list of things to worry about, next to health care and taxes. It is a civilizational wake-up call. A powerful message—spoken in the language of fires, floods, droughts, and extinctions—telling us that we need an entirely new economic model and a new way of sharing this planet. Telling us that we need to evolve.

—Naomi Klein



# Why does it matter?

Not just another issue

Your chance to make a difference

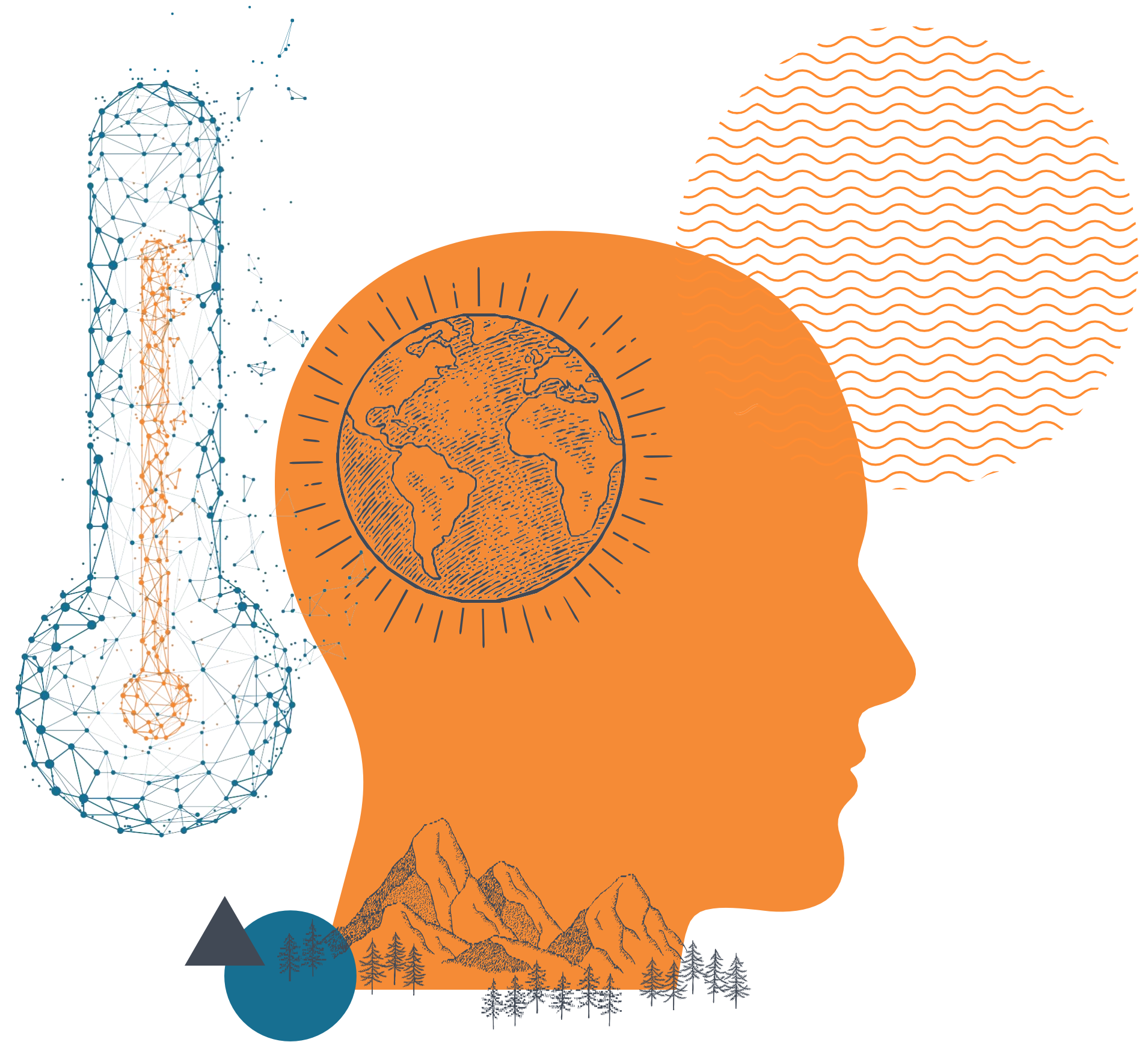


# Why does it matter?

Not just another issue

Your chance to make a difference

A right to know



How to communicate  
effectively on  
climate change



*How to communicate effectively on climate change*

# Tip 1

## Pitch to centre-right voters



*How to communicate effectively on climate change*

# Tip 1

## Pitch to centre-right voters

Use language and symbolism that resonates with conservative values





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Renewal and restoration

*How to communicate effectively on climate change*

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Renewal and restoration



National well-being

*How to communicate effectively on climate change*

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Renewal and restoration



National well-being



Share price performance

*How to communicate effectively on climate change*

## Tip 2

Consider the messenger,  
not just the message



*How to communicate effectively on climate change*

## Tip 2

Consider the messenger,  
not just the message



Avoid celebrities (and non-expert  
senior leaders)

*How to communicate effectively on climate change*

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not just the message



Avoid celebrities (and non-expert  
senior leaders)



Look instead to trusted insiders.  
Authenticity matters.

*How to communicate effectively on climate change*

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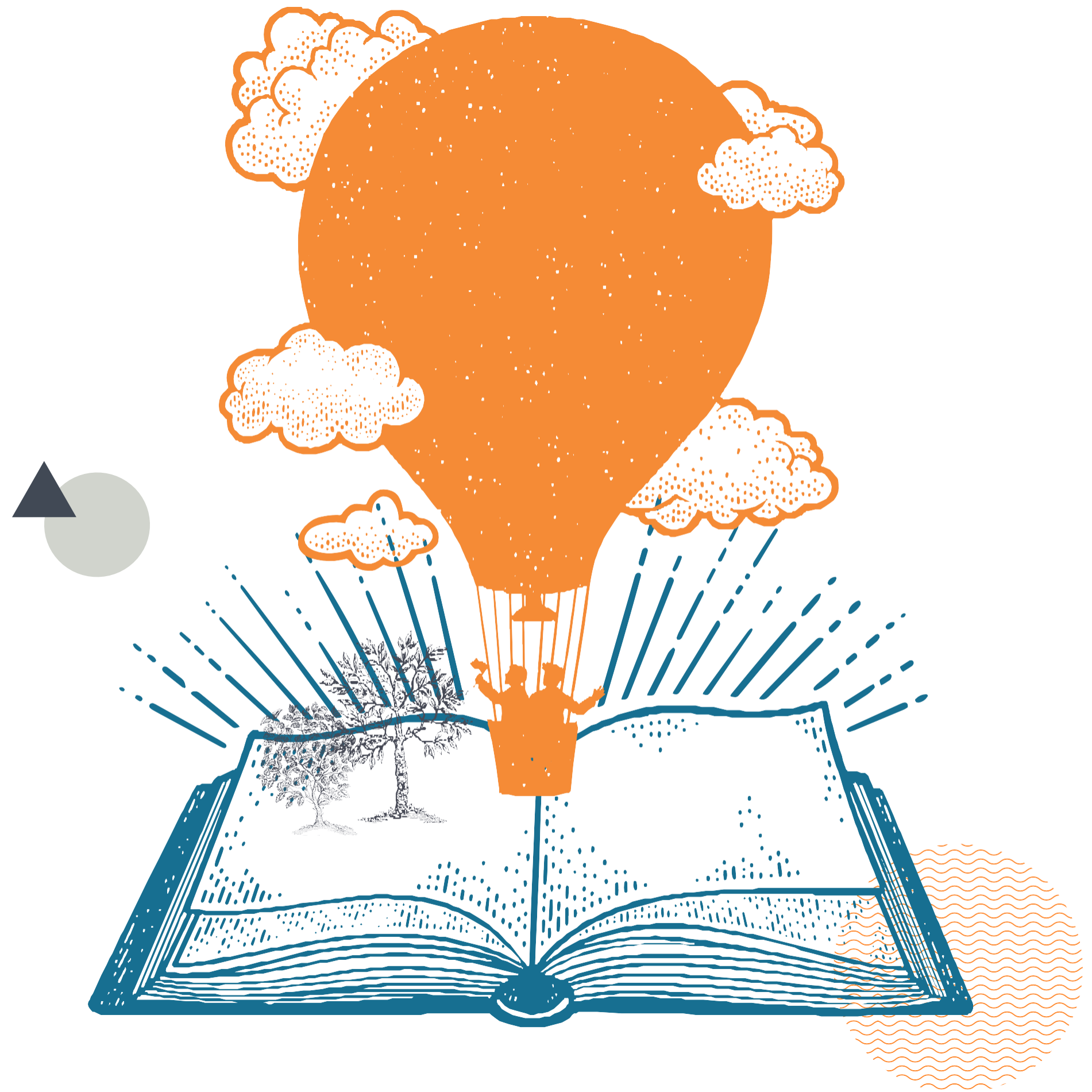


Hostile audience? Use surprise  
to scramble their assumptions

*How to communicate effectively on climate change*

# Tip 3

## Tell stories





*How to communicate effectively on climate change*

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## Tell stories



Good climate science ≠  
good climate communication

*How to communicate effectively on climate change*

# Tip 3

## Tell stories



Good climate science ≠  
good climate communication



Create a hopeful narrative

*How to communicate effectively on climate change*

# Tip 3

## Tell stories



Good climate science ≠  
good climate communication



Create a hopeful narrative



Emotionally connect with  
your audience

*How to communicate effectively on climate change*

## Using tips 1-3 in practice

Why the green revolution heralds a new era of Australia prosperity

Pitches to centre-right.  
Target theme: national wellbeing



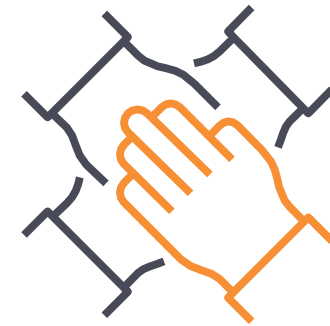
*How to communicate effectively on climate change*

## Pulling tips 1-3 together

Why the green revolution heralds a new era of Australia prosperity

Pitches to centre-right.  
Target theme: national wellbeing

Establishes credibility.  
Messenger = former diplomat  
and CEO of climate consultancy



*How to communicate effectively on climate change*

## Pulling tips 1-3 together

Why the green revolution heralds a new era of Australia prosperity

Pitches to centre-right.  
Target theme: national wellbeing

Establishes credibility.  
Messenger = former diplomat  
and CEO of climate consultancy

Tells a (hopeful) story



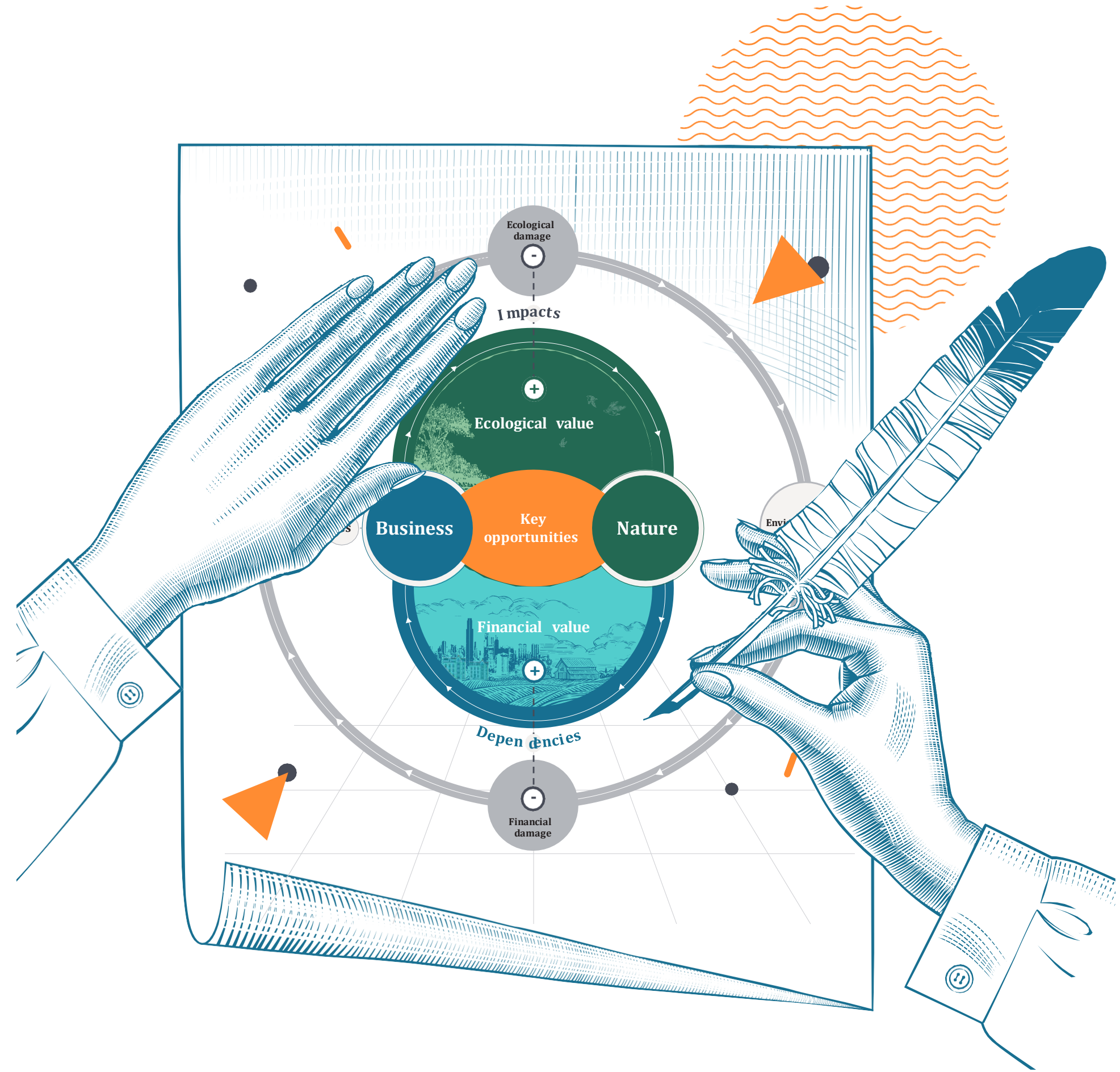
Looking ahead, Australia could grow revenues from green exports to \$333 billion by 2050, almost triple the value of existing fossil fuel exports. Indeed, selling the renewables revolution to Asia should deliver even greater nation-building prosperity than gold, wheat and wool delivered in the 19th Century.

Millions of jobs, even new cities, will materialise. Our creaking education and health sectors can be properly funded. Australian soft power will grow as we become an indispensable partner in shoring up Asian energy supply, gifting us a greater capacity to shape the norms and values of our increasingly contested region.

*How to communicate effectively on climate change*

# Tip 4

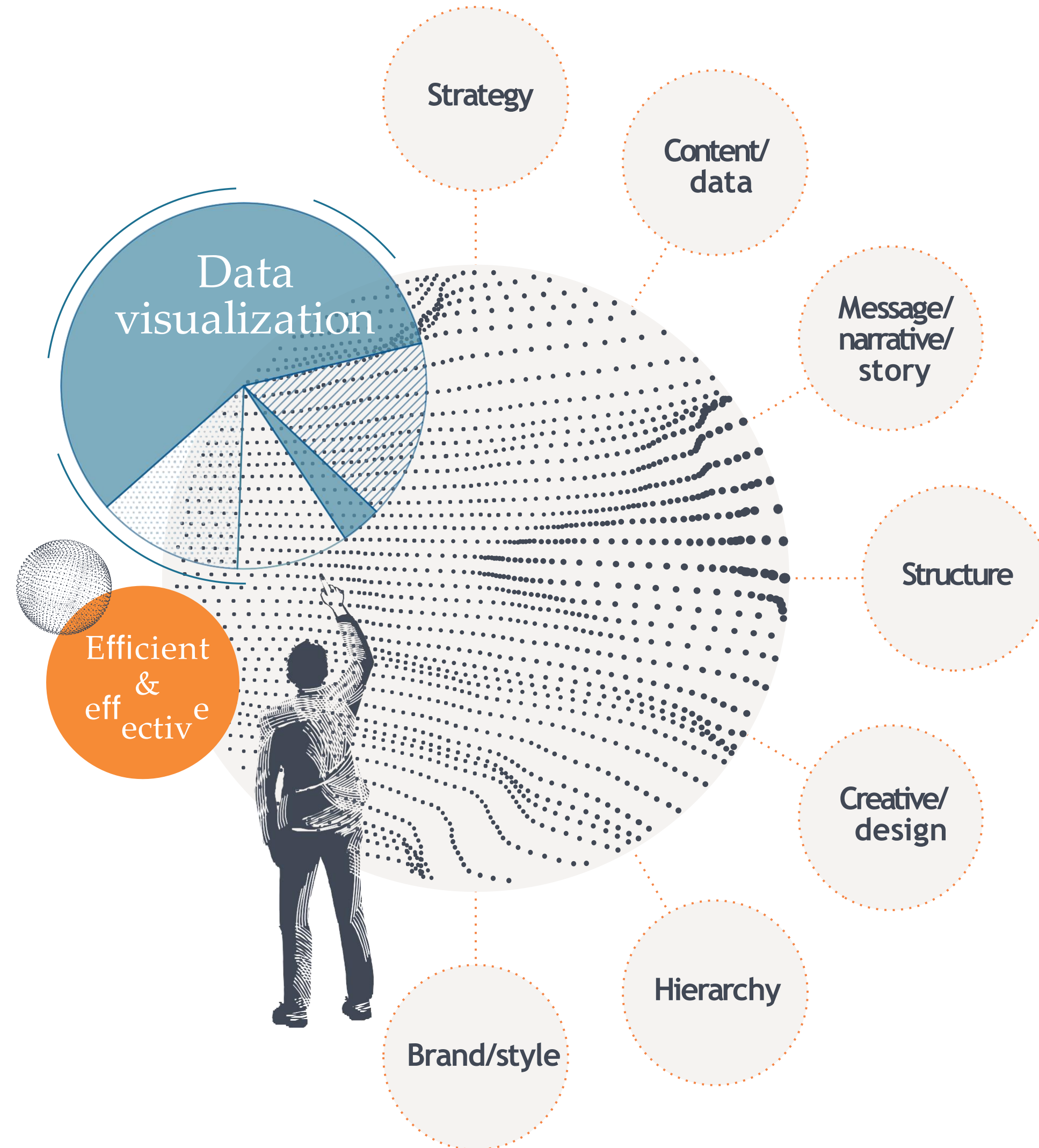
## Visualise it!



*How to communicate effectively on climate change*

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An infographic is worth a thousand words.





*How to communicate effectively on climate change*

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An infographic is worth a thousand words.

Recognise that we live in an attention economy



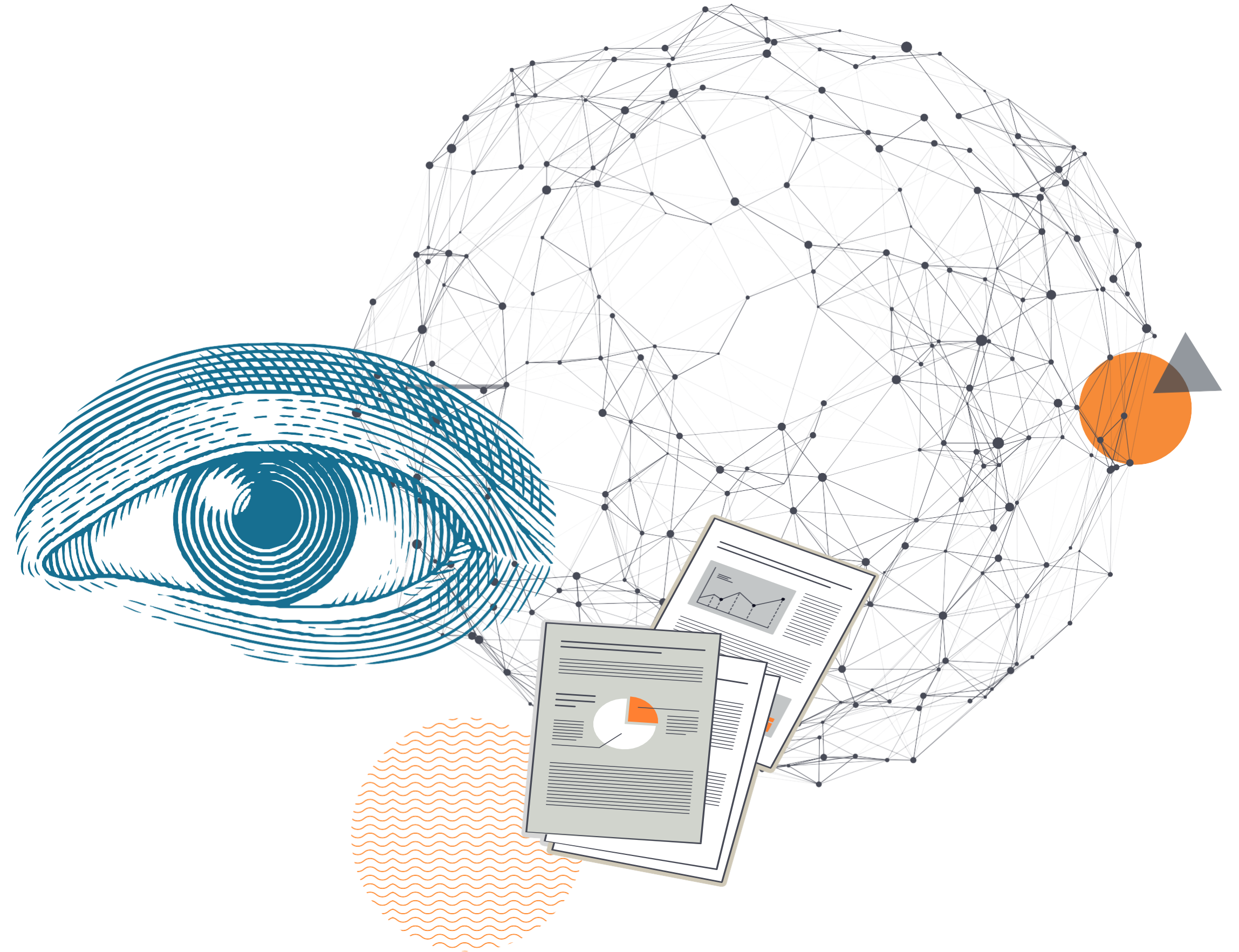
*How to communicate effectively on climate change*

## Visualise it!

An infographic is worth a thousand words.

Recognise that we live in an attention economy

More complex information = higher ROI on visualising strategy



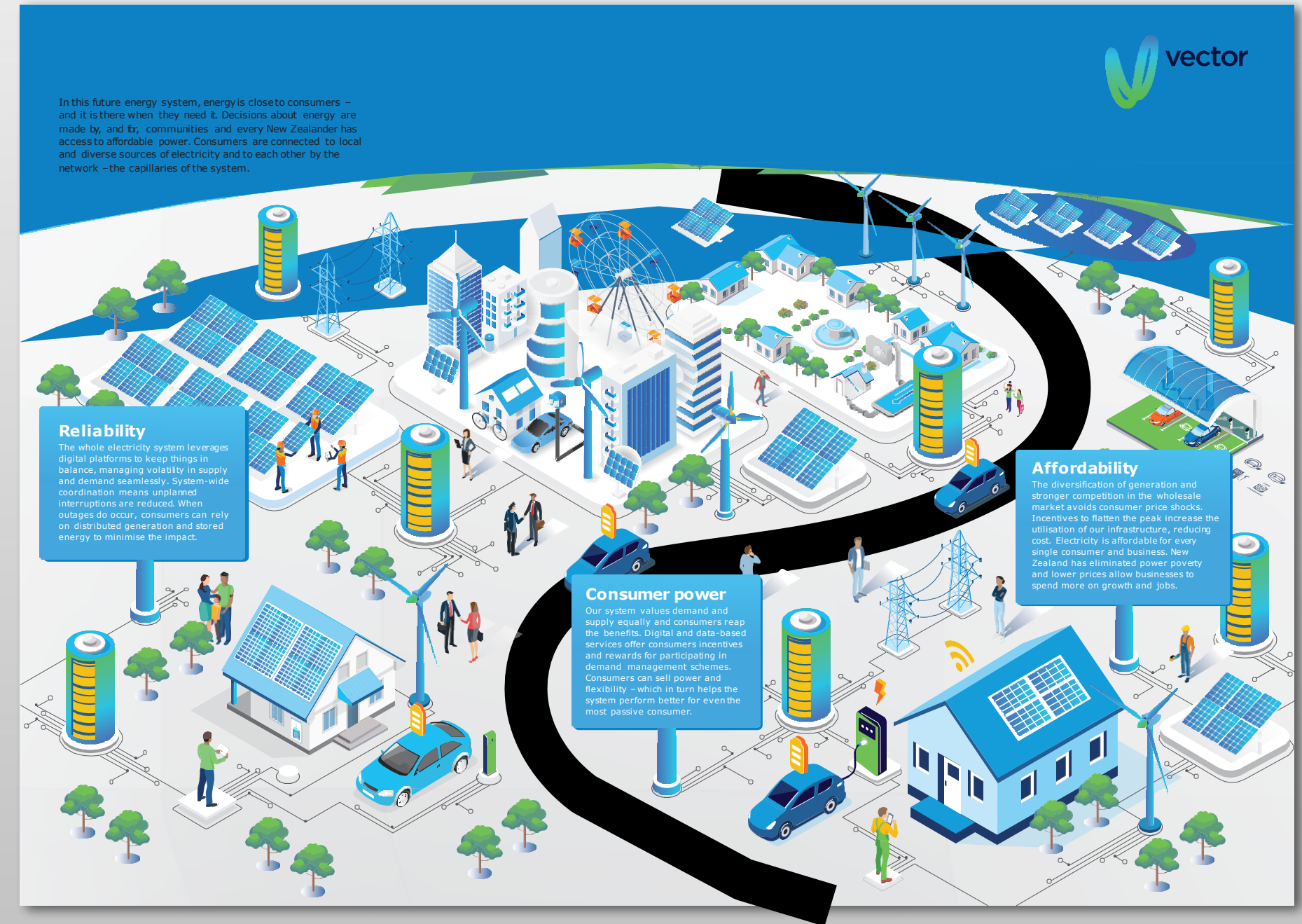
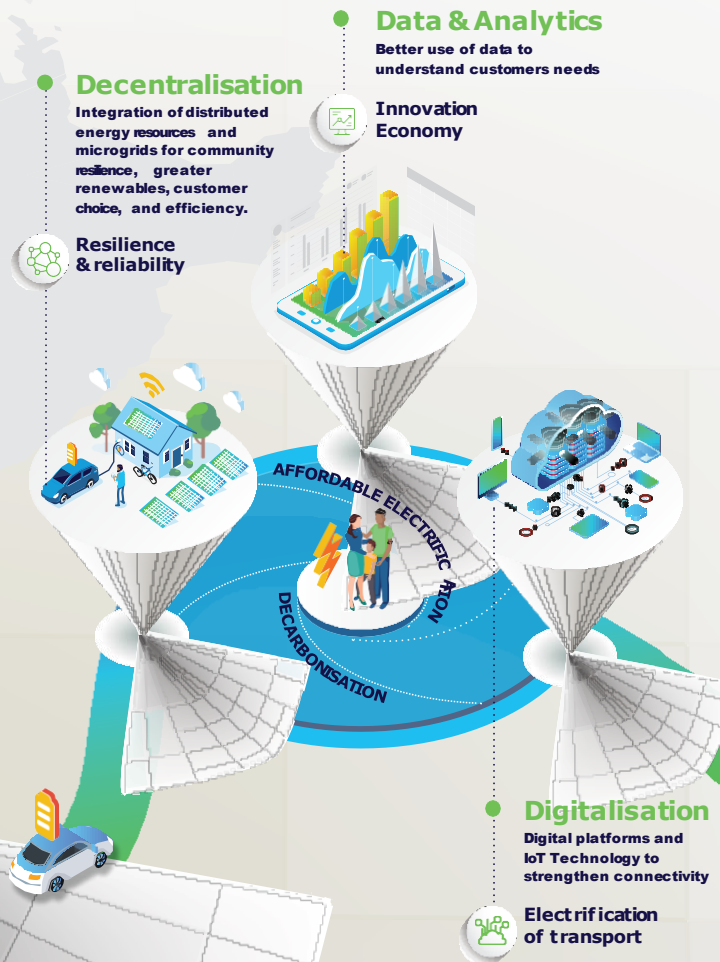
# Vector

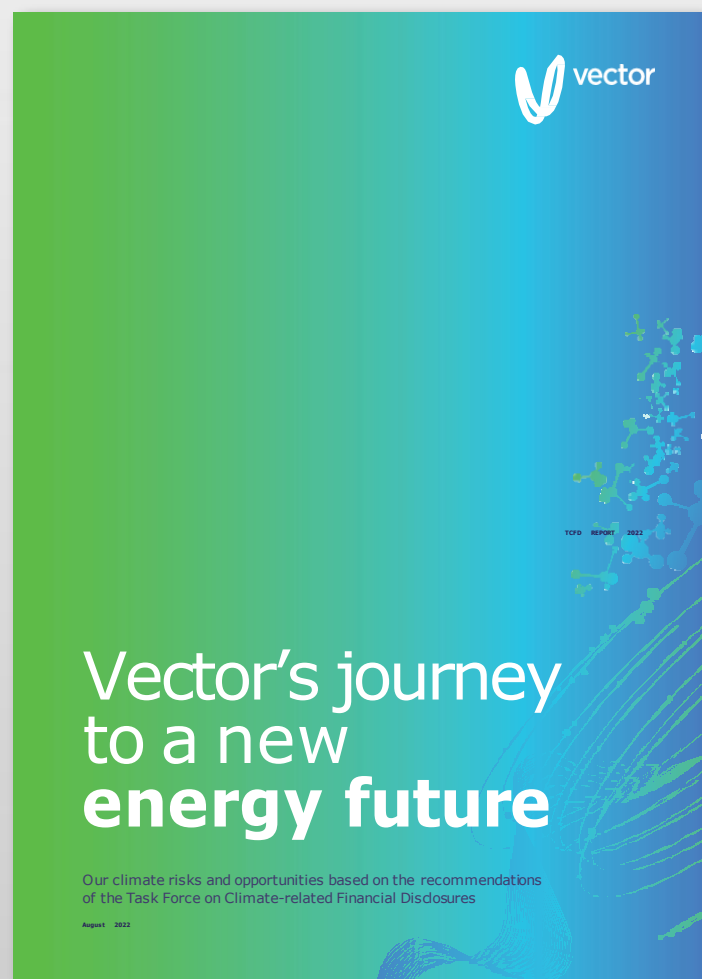
## ACHIEVING A NEW ENERGY FUTURE



### Key recommendations Objectives

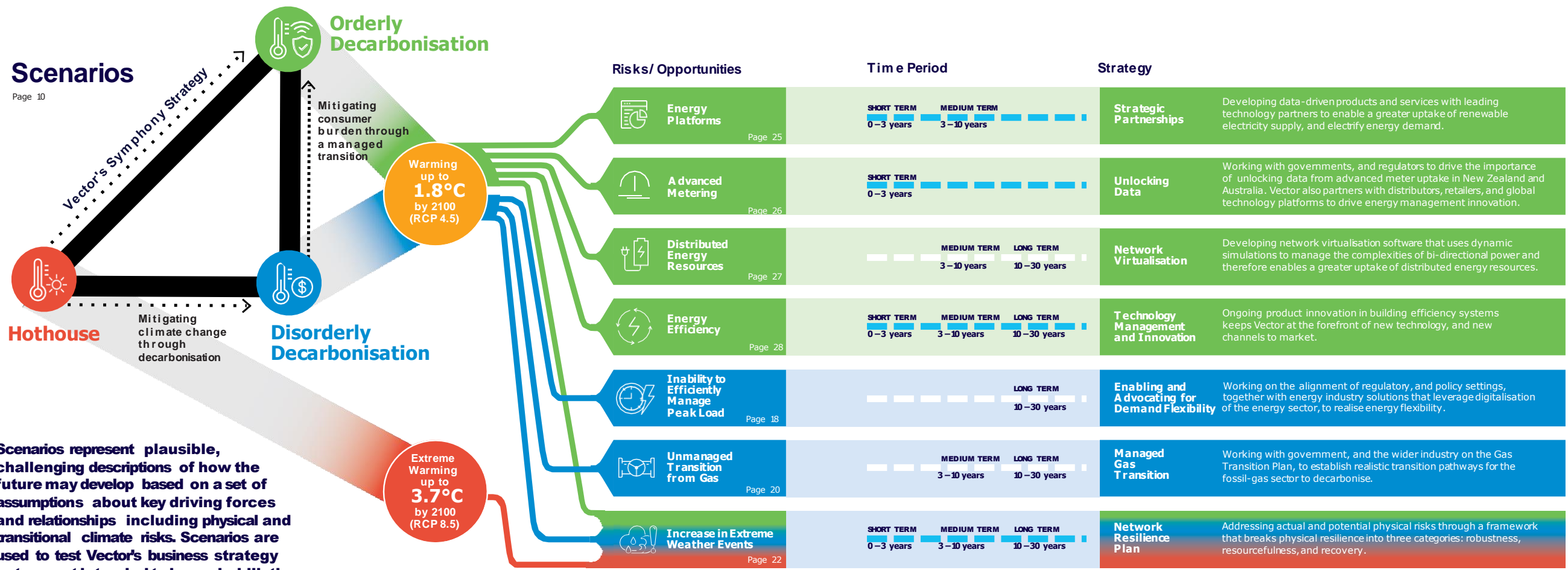
- Design our energy systems to start with the customer, not the power plant**  
 The value of demand response is unlocked to meet customer energy needs. Our energy system is transformed from a commodity based, to a service-based, supply chain which delivers more with less.
- Enable greater involvement from a wider range of market participants**  
 Our market for new renewable generation rapidly expands. The objective of greater resilience is aligned with meeting new demand for electricity.
- Optimise the system for a affordable electrification through digital platforms**  
 Smart, integrated energy systems – which incorporate smart EV charging – deliver electrification affordably. Future ready, enabling, infrastructure is delivered through data, digital platforms and digitalisation.
- Rethink regulation**  
 Our regulatory framework is proactively geared towards net zero – rather than the risks of the past. Our energy market delivers more competitive outcomes in a digitalised, decarbonised, world.
- Use a whole systems, rather than a siloed, approach**  
 Choices recognise cost and value through the whole system, rather than individual market segments. New customer value between silos is unlocked as energy systems and regulation moves away from legacy supply-side bias.
- Ensure a managed transition from gas**  
 Our transition is phased efficiently, avoiding customer cost. A new gas transition contract must be put in place to phase the transition fairly and efficiently for customers and infrastructure providers. Our decarbonisation pathway strategically considers a range of value streams to pursue the most efficient net reduction in emissions.





## Vector's climate-related opportunities and risks

Climate change brings both risks and opportunities for Vector, as detailed in this report. With a diverse business portfolio of energy solutions, Vector is well-positioned to lead the energy transition to our customers' advantage. Many of our climate-related opportunities correspond with the role we can play in creating new solutions and driving efficient, sector-wide decarbonisation. Many of our risks emerge from the possibility that decarbonisation occurs in a way that is inefficient and costly, impacting Vector and our customers. In identifying these risks and opportunities, our intentions are more firmly resolved than ever. We are working to be a first-class energy company globally, playing a leading role in enabling a bright future for our customers.



Scenarios represent plausible, challenging descriptions of how the future may develop based on a set of assumptions about key driving forces and relationships including physical and transitional climate risks. Scenarios are used to test Vector's business strategy but are not intended to be probabilistic or predictive or to identify the 'most likely' outcomes.

## Governance

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Board of Directors	
Board Audit Committee	Board Risk and Assurance Committee
Executive Management	
Climate Change Steering Committee	Chief Public Policy and Regulatory Officer
Group Sustainability	Group Risk and Resilience
Group Finance	Group Insights
Business Level Senior Management	
Business Level Risk Partners	Business Level Insights



## Dedication and delivery

An orderly decarbonisation



The global community urgently recognises the need to address climate change through collective decarbonisation. The steady, economy-wide transition will require businesses to rethink how they create value.

## Delay and disruption

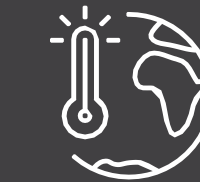
A disorderly decarbonisation



Business-as-usual continues in the early 2020s, until the growing momentum for climate action leads to a forceful but disorderly set of policy responses before 2030 for which financial markets are underprepared.

## Division and deterioration

A failure to decarbonise



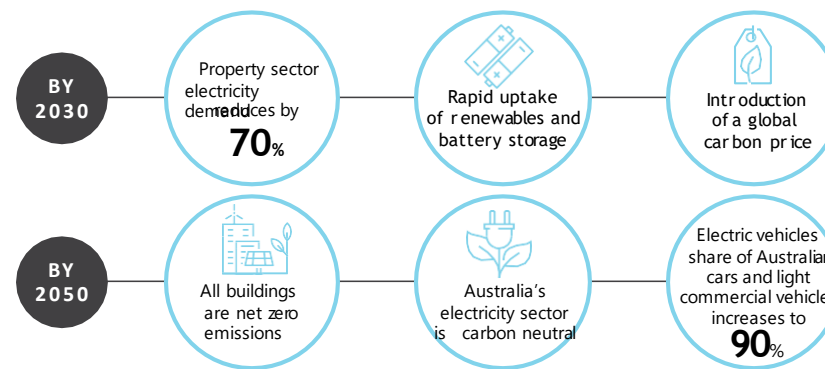
Mounting climate impacts lead to protectionism and a breakdown in international cooperation that stymies climate action. Governments deprioritise the low carbon transition while stakeholders continue to mount pressure on business to fill the gap.

### HOW MARKETS WILL BE AFFECTED

- Dawn of the renewable energy internet, facilitated by decentralised energy grids, supportive policy and a strong carbon price
- Sharing economy becomes mainstream, to drive waste reduction and resource efficiency

### WHAT THIS MEANS FOR DEXUS

- Buildings must source 100% renewable energy and store it on-site for supply to the property and its surroundings
- Opportunities to diversify revenue streams beyond rental income, to include energy provision, rental of fitout and workspace technology, and mobility services as part of a 'space-as-a-service' offering
- Opportunities to coordinate broader economic activity through its buildings, leveraging their access to energy, transport, workspace and other utilities



### KEY FINANCIAL IMPLICATIONS

- Impacts to rental revenue and building valuations based on whether Dexus delivers properties that meet customer demand
- Impacts to operating costs based on exposure to carbon pricing through use of non-renewable energy
- Opportunities for additional revenue streams based on renewable energy internet and sharing economy

### THE PRE-2030 POLICY SHOCK



### HOW MARKETS WILL BE AFFECTED

- Policy shock causes rapid asset repricing and stranded assets, particularly across fossil fuel industries
- Flow-on impacts lead to global economic losses as high as \$US4 trillion
- Rapid increase in demand for clean, efficient technologies and low carbon energy sources based on policy interventions including carbon pricing

### WHAT THIS MEANS FOR DEXUS

- Energy efficient buildings powered by renewable energy are less exposed to costs or penalties imposed by mandatory energy efficiency upgrades
- Dexus's customer mix will change, as traditional utility and energy customers are replaced with customers that have greater 'carbon competitive advantage'
- Carbon intensity of the value chain becomes financially material

### KEY FINANCIAL IMPLICATIONS

- (Avoided) capital expenditure required to comply with energy efficiency standards
- Impacts to rental revenue based on asset repricing implications for industries across customer base
- Impacts to developments, capital and operational expenditures from carbon pricing

### HOW MARKETS WILL BE AFFECTED

- Socio-economic disruptions associated with extreme weather and longer-term climate shifts
- Threats to global supply chains from extreme weather events and breakdowns in international free trade agreements
- Mass migration contributes to notable demographic changes and political challenges

### WHAT THIS MEANS FOR DEXUS

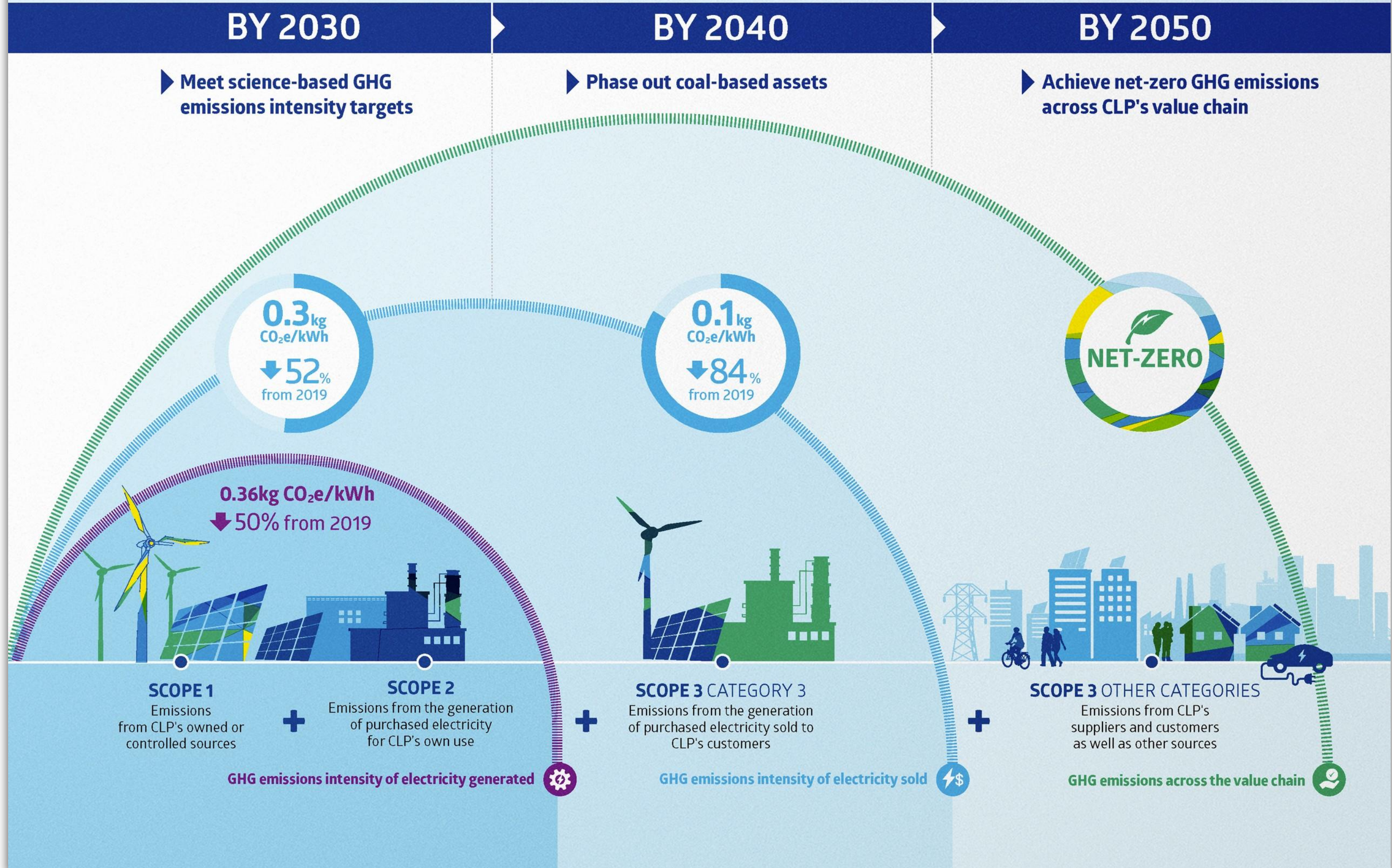
- Increasingly expected to invest in emissions reductions and climate resilience without meaningful policy frameworks or public incentives
- Property companies required to provide buildings and spaces that can withstand climate extremes, while also supporting local communities through product and service provision in times of need

### KEY FINANCIAL IMPLICATIONS

- Capital expenditure required to enhance building resilience
- Revenue and operational expenditure impacts from business continuity disruptions and community support
- Development project delays and expenditure impacts from supply chain disruptions



CLP'S KEY TARGETS AND COMMITMENTS



## OUR CLIMATE STRATEGY

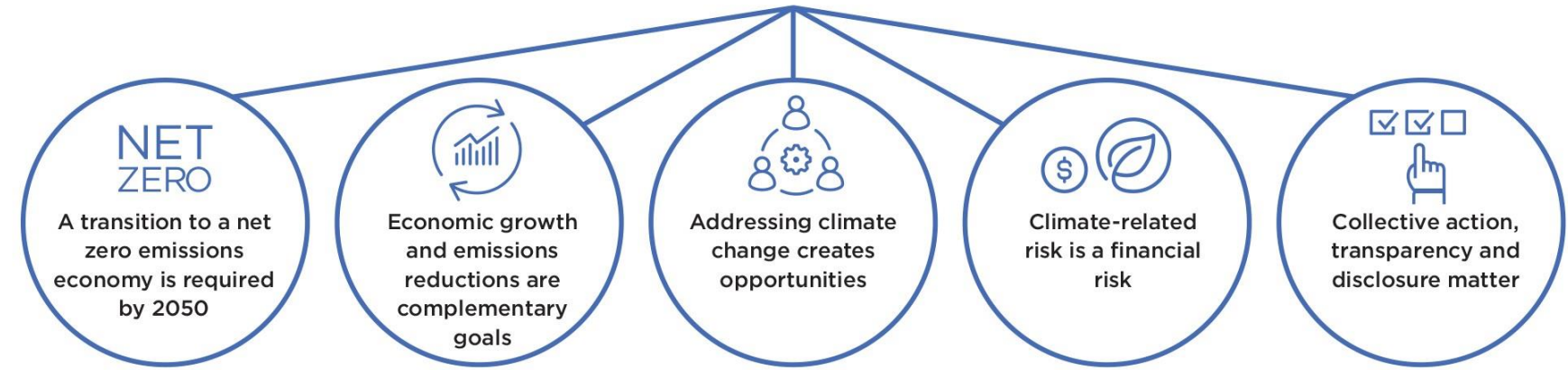
Westpac recognises that climate change is one of the most significant issues that will impact the long-term prosperity of the global economy and our way of life.

As a financial institution, we believe the most constructive role we can play is to work with customers and communities to respond to the challenge of climate change.



## OUR APPROACH

We have five core principles that guide and inform our approach to climate change:



## OUR CLIMATE ACTION PLAN

Helping customers and communities respond to climate change, we aim to:



Provide \$3.5 billion new lending to climate change solutions by 2023. Develop Paris-aligned financing strategies and portfolio targets for sectors representing the majority of our financed emissions. Provide access to products and services that can help customers reduce energy consumption and improve the resilience of their homes. Support customers to get back on their feet after a natural disaster by providing hardship assistance, relief packages or community grants.

Provide \$15 billion of new lending to climate change solutions by 2030. Ensure our financing of the electricity sector aligns with portfolio targets of 0.23t CO<sub>2</sub>-e/MWh by 2025; and 0.18t CO<sub>2</sub>-e/MWh by 2030. Manage our thermal coal mining portfolio in line with a commitment to reduce our exposure to zero by 2030.



Improving the climate performance of our operations, our targets are to:



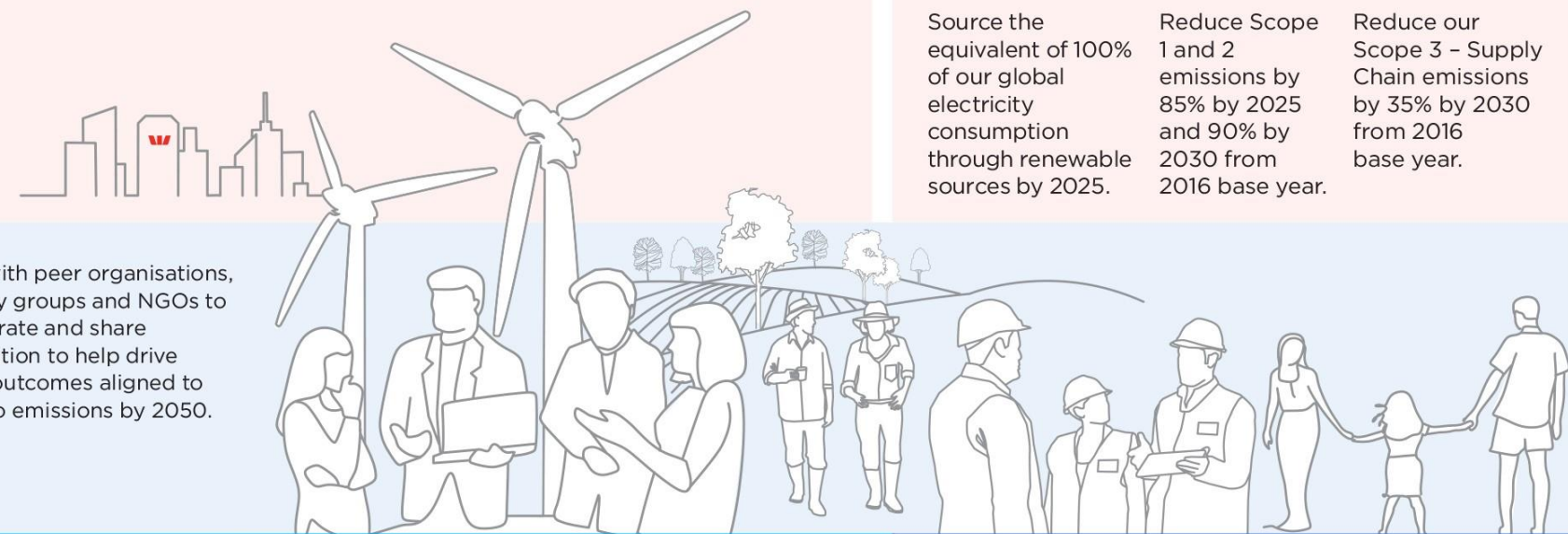
Source the equivalent of 100% of our global electricity consumption through renewable sources by 2025. Reduce Scope 1 and 2 emissions by 85% by 2025 and 90% by 2030 from 2016 base year. Reduce our Scope 3 - Supply Chain emissions by 35% by 2030 from 2016 base year.



Supporting initiatives and policies to achieve the goals of the Paris Agreement, we will:



Work with peer organisations, industry groups and NGOs to collaborate and share information to help drive policy outcomes aligned to net zero emissions by 2050.



Manage our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050.

**SHORT TERM**  
0 TO 3 YEARS

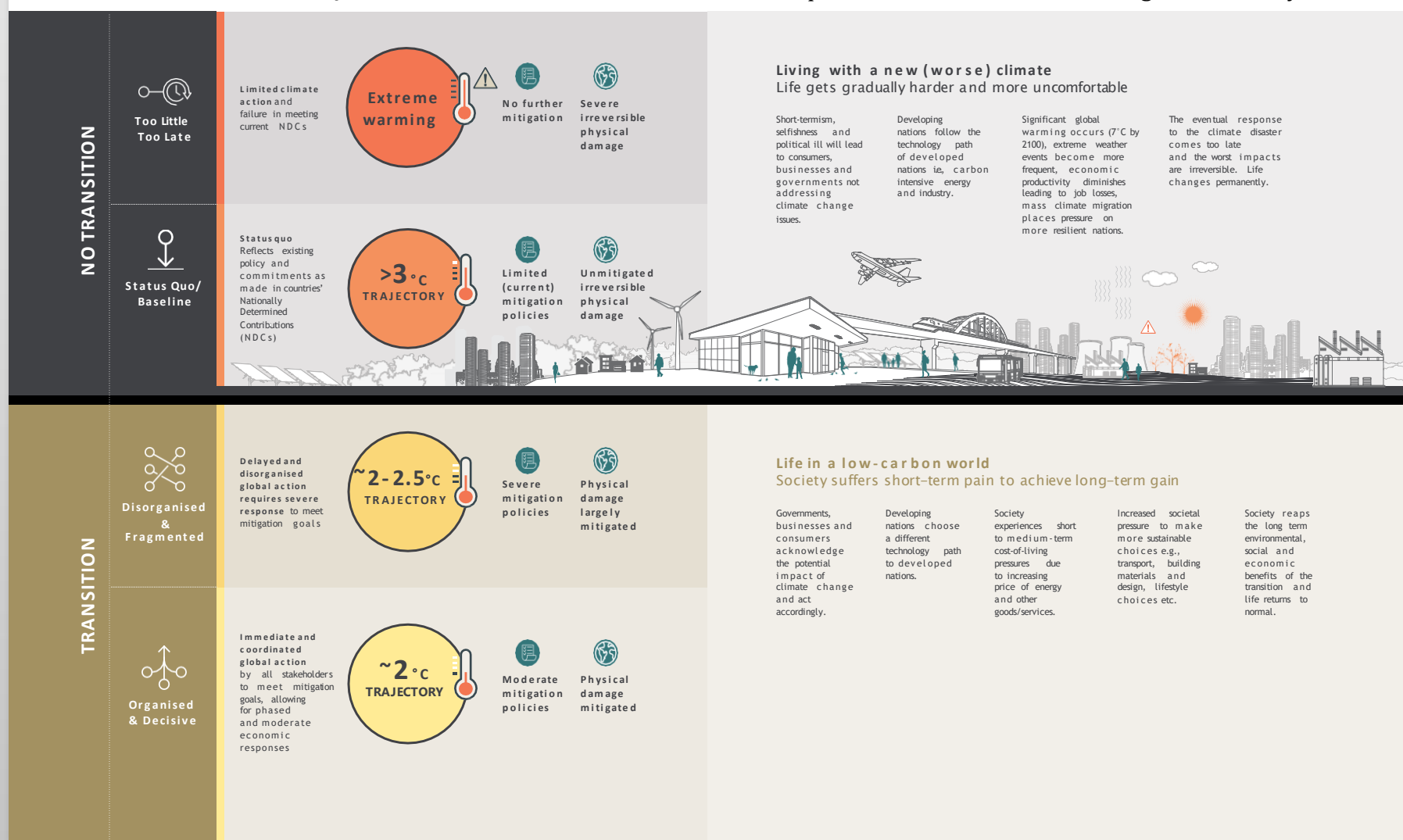
**MEDIUM TERM**  
3 TO 10 YEARS

**LONG TERM**  
10 TO 30 YEARS

To learn more about our climate strategy and targets, read our [Climate Change Position Statement](#) and [2023 Action Plan](#)

## Climate Change Risk Assessment

### Scenario-based analysis



### Implications of climate change on society

#### Living with a new (worse) climate

Life gets gradually harder and more uncomfortable

Short-termism, selfishness and political ill will lead to consumers, businesses and governments not addressing climate change issues.

Developing nations follow the technology path of developed nations i.e. carbon intensive energy and industry.

Significant global warming occurs (7°C by 2100), extreme weather events become more frequent, economic productivity diminishes leading to job losses, mass climate migration places pressure on more resilient nations.

The eventual response to the climate disaster comes too late and the worst impacts are irreversible. Life changes permanently.

#### Life in a low-carbon world

Society suffers short-term pain to achieve long-term gain

Governments, businesses and consumers acknowledge the potential impact of climate change and act accordingly.

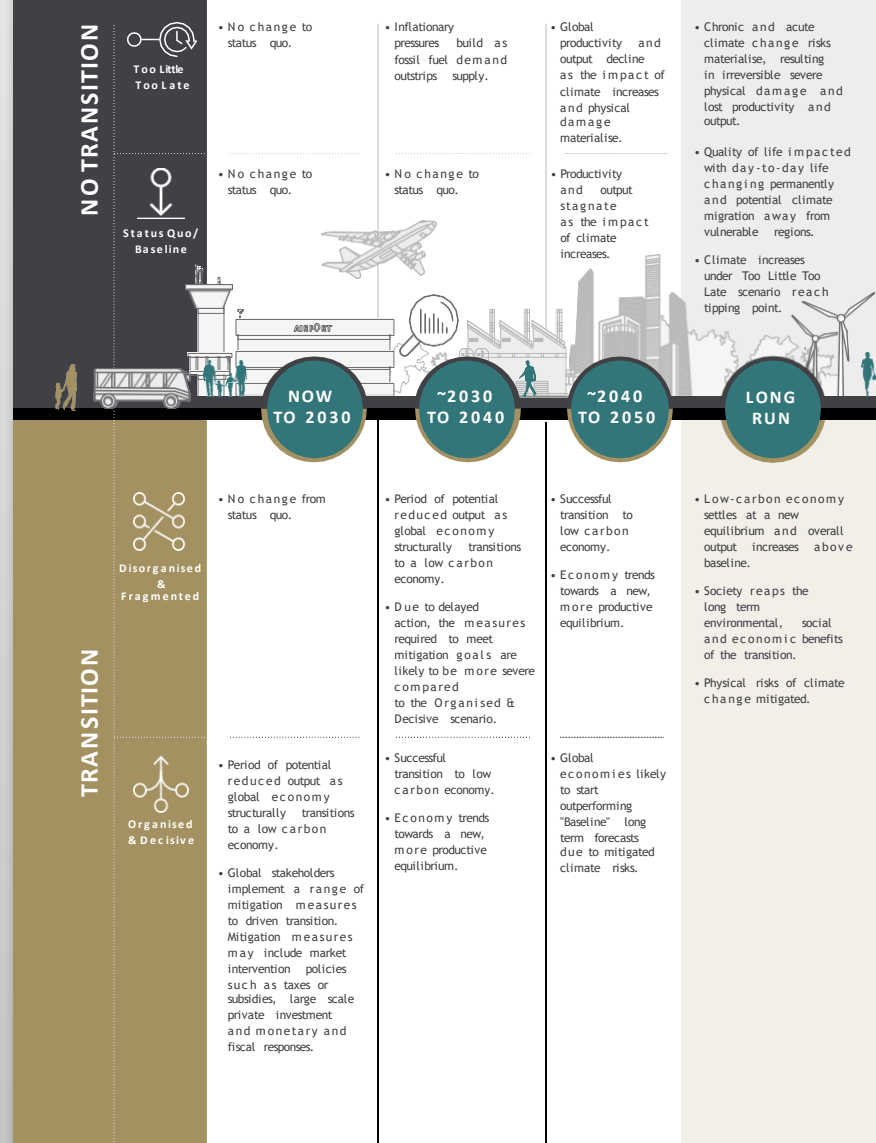
Developing nations choose a different technology path to developed nations.

Society experiences short to medium-term cost-of-living pressures due to increasing price of energy and other goods/services.

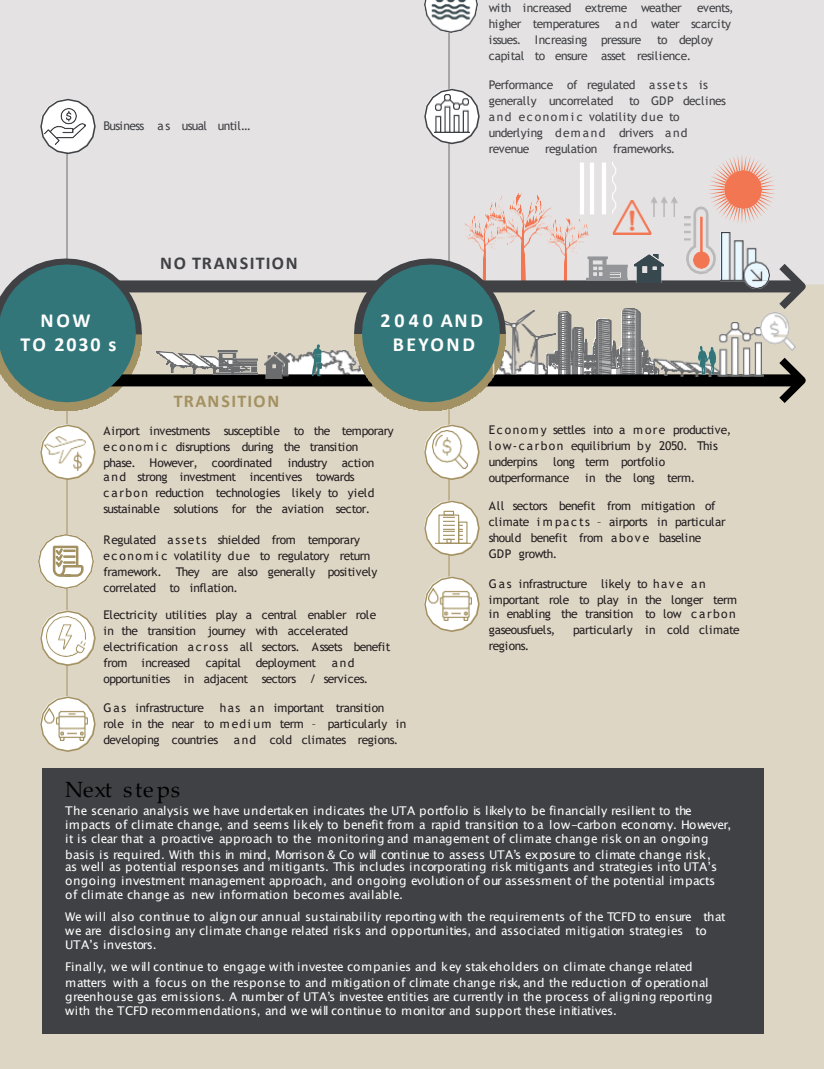
Increased societal pressure to make more sustainable choices e.g., transport, building materials and design, lifestyle choices etc.

Society reaps the long term environmental, social and economic benefits of the transition and life returns to normal.

### Scenario Outcomes



### Mapping the outcomes to UTA





# Uber Eats

## Uber Eats

### Lifecycle impacts and opportunities

#### THE GOAL

Conduct an independent life cycle assessment (LCA) to identify where Uber Eats can make the biggest positive impact to sustainability in the food delivery sector.

#### HOW DID WE DO IT?

To do this we focused on two meal options for this assessment – a beef burger and a peanut chicken noodle dish – intended for two people in Australia.

We compared delivery with Uber Eats with three common alternative meal procurement methods:



**Home-cooked food using groceries**



**Home-cooked food using a delivered meal kit**



**Dine-in meals**

#### THE FINDINGS



**Adding groceries to a delivery could help**

There are potential environmental benefits of adding a small groceries order to an Uber meal delivery. By saving the consumer a car trip to the shops, it would reduce the overall carbon footprint by 1.4kg CO<sub>2</sub>e.



**The type of transport matters**

Depending on how the meal is delivered, delivery with Uber Eats can be one of the best options (bike), but it can also be less efficient (car).



**Ingredients have the biggest environmental impact**

Ingredients were by far the biggest factor affecting the environmental impact of any meal – regardless of how it was fulfilled.



**The hidden face of packaging**

The impact of different packaging mostly occurs before it even touches the meal. For instance, the use of energy-intensive foil more than doubles the packaging impact of a burger.



**Consumers have a role to play**

While the consumer has little choice on what packaging is used, end-of-life management does make a difference.



This LCA analysis was completed in 2020 by Lifecycles with all subsequent communication and design delivered by BWD.

<sup>1</sup> Food delivery calculated using cars, motorbikes and scooters. Home-cooked calculated using a small car.

#### THE BIGGEST IMPACT



Ingredients are always going to be the largest environmental contributor to every meal.

**80-90%**

of the climate change impact of the burger meal – no matter how it was

#### WHY?

procured – was due the beef used. Beef is often called out as a high-impact choice. This is because the production of beef releases methane, which has a greenhouse gas warming potential that is 25 - 30 times higher than carbon dioxide.

1



Excluding ingredients, transport has the next highest environmental impact for both

**31% & 33%**

food delivery home-cooked food using groceries<sup>1</sup>

#### WHY?

The higher impact of driving to the shops for the same meal (rather than having it delivered by bicycle or scooter) is due to inefficiency of transporting a relatively light meal by car.

2

#### WHAT WE CAN DO ABOUT IT



We can encourage more consumers to select chicken, fish or meat substitutes. This would significantly reduce climate change impact.



We can ensure an appropriate mix of cars, bikes, and scooters across the Uber Eats platform.

We can show our consumer that on-demand food delivery can be one way to lower the impact of meal procurement.

We can further enhance this advantage by enabling the delivery of more meals per trip or adding shopping tasks.

# Energy Security Board

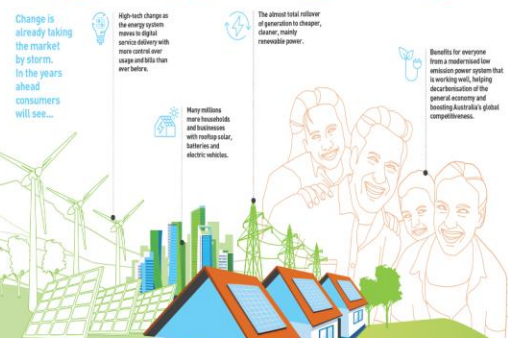
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## A CLEAR PLAN TO CONFIDENTLY EMBRACE AUSTRALIA'S ENERGY FUTURE

People are very clear about what they want from energy reform. It is reliable, affordable, lower emissions electricity. Australia has already jumped ahead of the rest of the world with more rooftop solar than anywhere. And massive penetration of low-cost, large-scale wind and solar farms has brought forward the use-by date for old thermal generators.

To get us safely to the future the Energy Security Board has recommended widespread action across four reform areas:



More than **90 cents** in every dollar invested in generation since 2012 has been in wind and solar

Per capita, Australia is leading the world in installing renewable grid-scale generation – about 10 times the world average

The ESB reform roadmap takes a three-part approach:



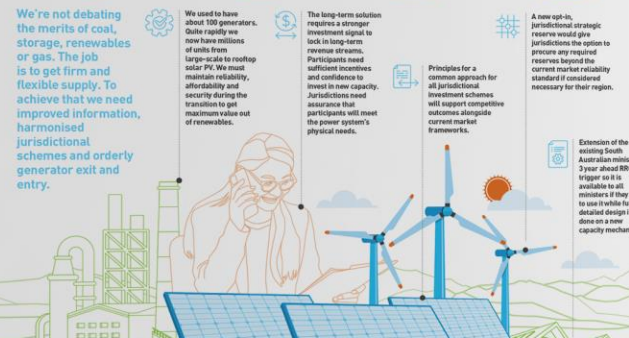
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## BEING PREPARED FOR OLD COAL RETIREMENT

Over the next few decades Australia will replace most of its generation. Massive penetration of renewables in response to technology change, consumer choices and government policy has changed energy economics and old generators are bringing forward their retirement. We need orderly plans to exit old technologies and pave the way for new ones.

Energy Security Board recommendations to build reliability and confidence in supply



An additional 55 GW of projects is being proposed across Australia's east coast, almost as much generation capacity as exists today

National electricity market coal fleet will have by 2030

Keeping lights on as the generation mix undergoes profound change



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## BACKING UP POWER SYSTEM SECURITY

Lack of essential system services has cost consumers a lot of money in recent years as a result of expensive interventions. New technical backups, frequency, inertia, system strength, operating reserves are needed urgently now we have increasing wind and solar generation and falling levels of coal-fired power. New technologies like large-scale batteries and flexible demand will help make the system stronger.

Energy Security Board recommendations enabling the services you need to keep the lights on



Installed storage is expected to increase by **800%** within two decades

Security – as when the power system is under stress, frequency, inertia, system strength and reliability matter.

Technical reforms cannot wait until 2025 so this work is already underway



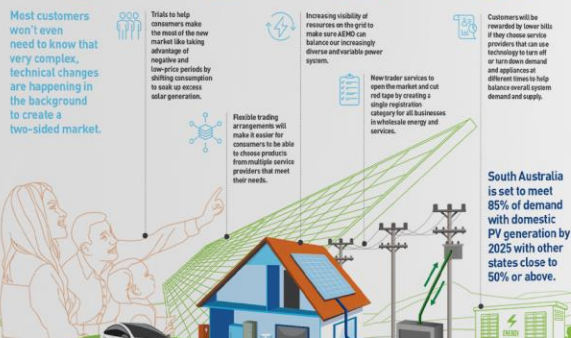
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## UNLOCKING BENEFITS OF CHANGE FOR CONSUMERS

The largest generator in the national electricity market is now owned collectively by consumers – and sits on their rooftops. Digitalisation and the internet of things means people will manage energy very differently. There will be new ways to save for everyone. Properly harnessing latent demand side flexibility and solar PV will make the grid more productive, cutting both costs and emissions.

Energy Security Board recommendations to bring forward user-friendly innovation



Close to **3 million** Aussie homes now have solar systems

South Australia is set to meet 85% of demand with domestic PV generation by 2025 with other states close to 50% or above.

Our DER implementation plan is a three year program of actions



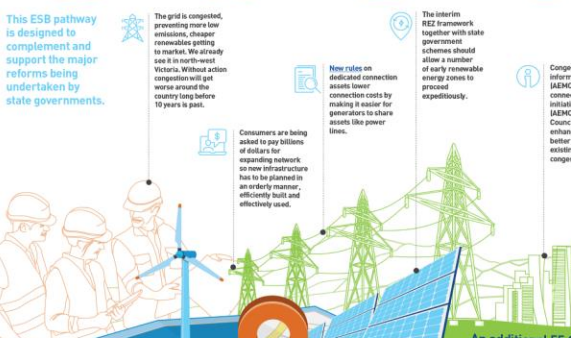
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## OPENING THE GRID TO CHEAPER RENEWABLES

New generation, mainly renewables, is locating far and wide across the regions wherever sun and wind resources are best. These reforms are about cutting costs of getting that dispersed generation to consumers. We are already well progressed down this path through the actionable ESB. Now we're recommending better signals to encourage more generation into renewable energy zones where transmission costs can be shared and firm access secured.

Energy Security Board recommendations to locate generators and batteries where they are needed most



An additional 55 GW of projects are currently being proposed across Australia's east coast – almost as much generation capacity as exists today

121 new wind and solar projects connected to the grid in past 4 years

Connecting the new generation and storage we need as efficiently as possible



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## NEW ENERGY DATA STRATEGY

Digitalisation of the nation's energy market is well underway. Energy market bodies are investing in advancing systems and capabilities to take advantage of developments. But there's still a way to go before best decisions are made on the basis of change.

Modernisation of critical market systems and data frameworks are vital to enable the ESB's reform pathways



Optimising long-term interests of consumers in a digitalised future

Optimising long-term interests of consumers in a digitalised future



# Aiming for Net Zero



- View microsite at <https://aimingfor.net/zero>

Communicating the  
importance of climate change

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*A summary*

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- Avoid celebrities (and non-expert senior leaders)
- Look instead to trusted insiders. Authenticity matters.
- Hostile audience? Use surprise to scramble their assumptions



Use language and symbolism that resonates with conservative values

- Renewal and restoration
- National well-being
- Share price performance

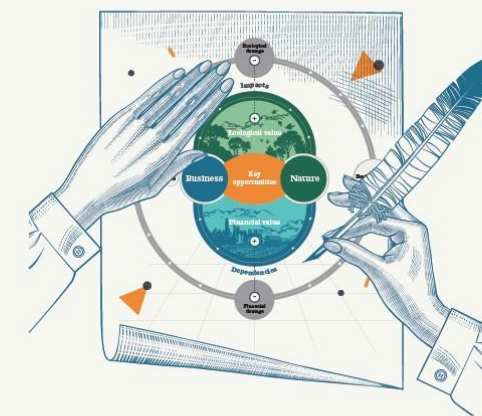
## How to communicate effectively on climate change



- An infographic is worth a thousand words.
- Recognise that we live in an attention economy
- More complex information = higher ROI on visualising strategy



- Good climate science ≠ good climate communication
- Create a hopeful narrative
- Emotionally connect with your audience





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