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

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Not just another issue

Your chance to make a difference

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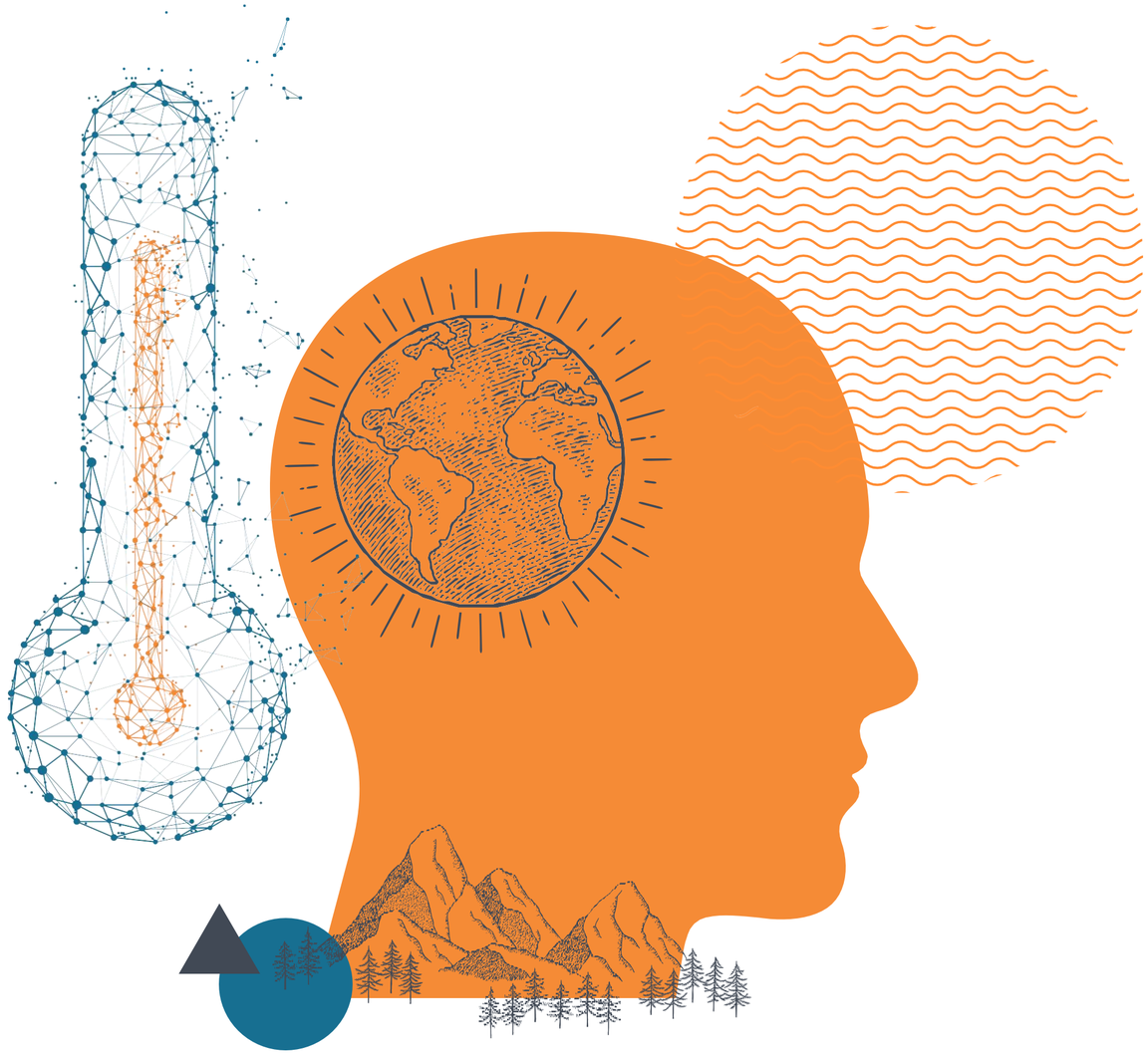
Not just another issue

Your chance to make a difference

A right to know



How to communicate effectively on climate change

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Tip 1

Pitch to centre-right voters

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Hostile audience? Use surprise to scramble their assumptions

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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

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

How to communicate effectively on climate change

Pulling tips 1-3 together

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Pitches to centre-right.
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Messenger = former diplomat and CEO of climate consultancy

Tells a (hopeful) story

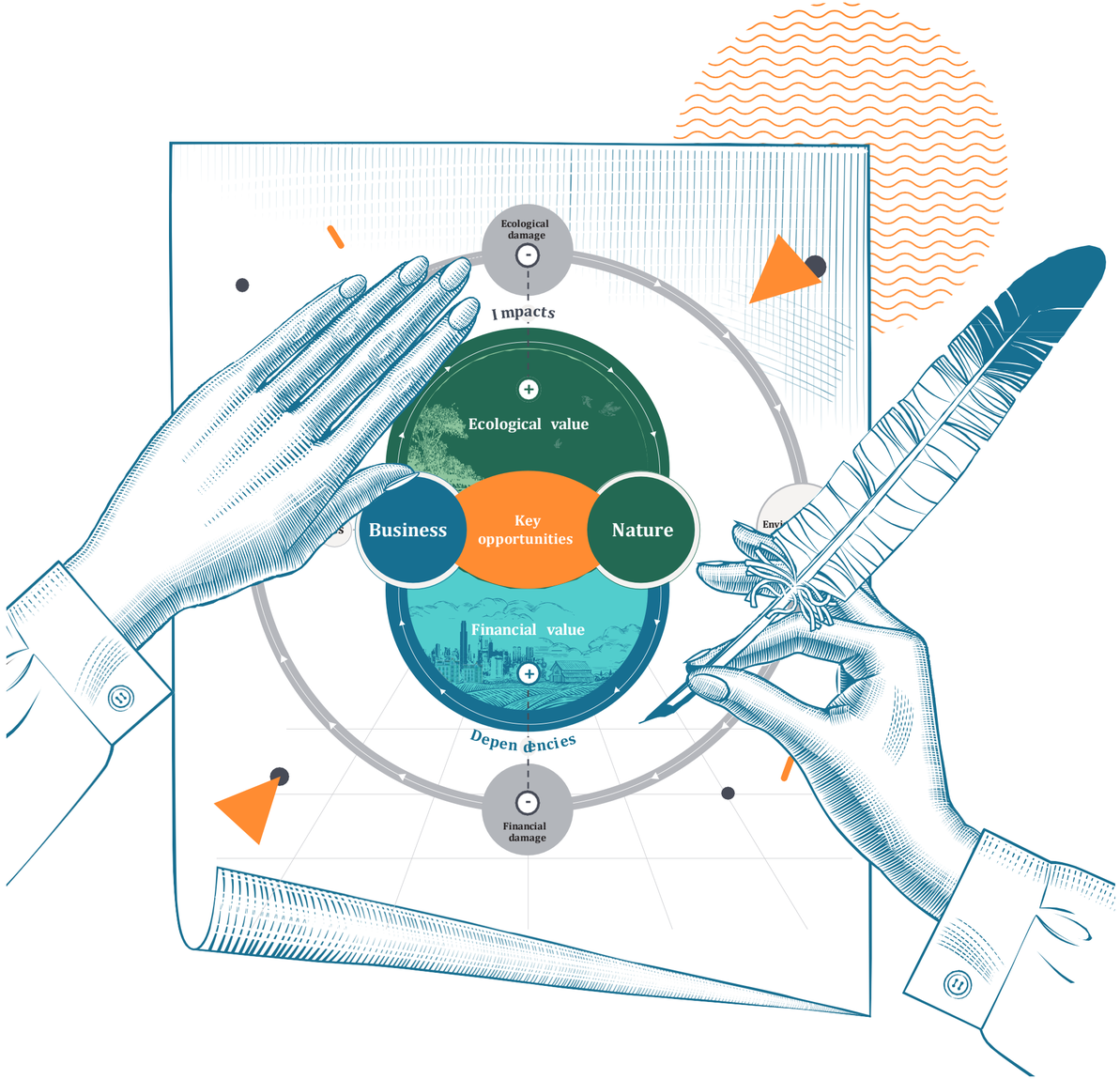
Looking ahead, Australia could grow revenues from green exports to $333 billion by 2050, almost triple the value of existing fossil fuel exports. Indeed, selling the renewables revolution to Asia should deliver even greater nation-building prosperity than gold, wheat and wool delivered in the 19th Century.

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

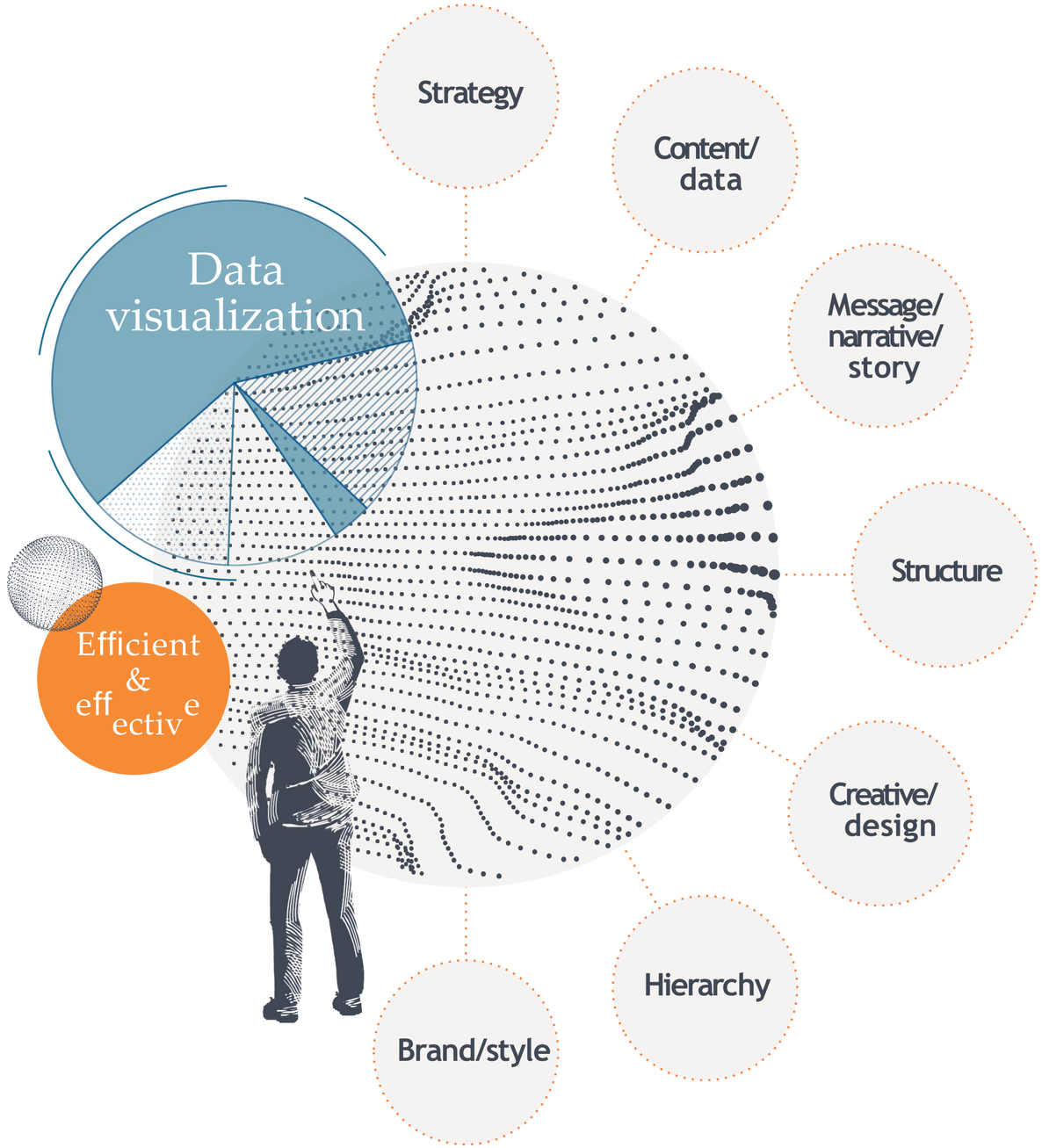
Visualise it!



How to communicate effectively on climate change

Visualise it!

An infographic is worth a thousand words.



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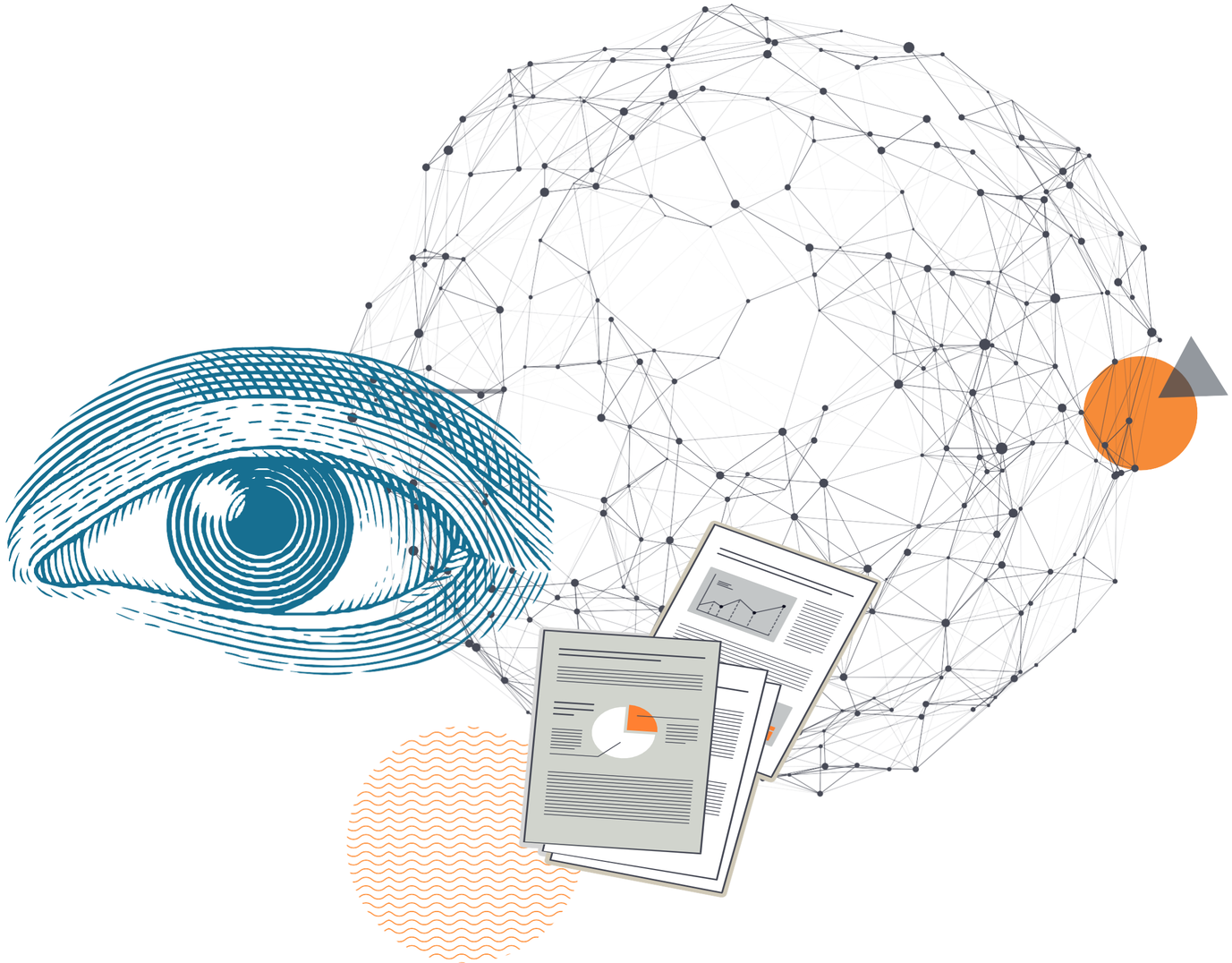
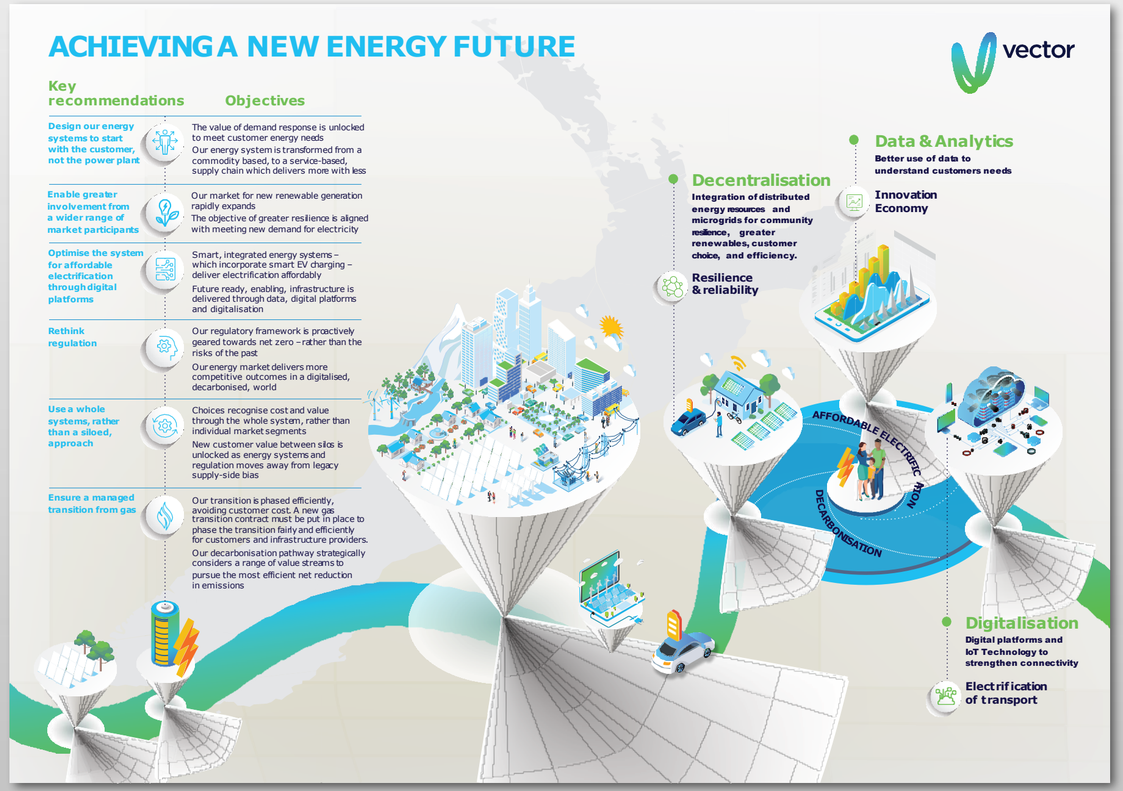
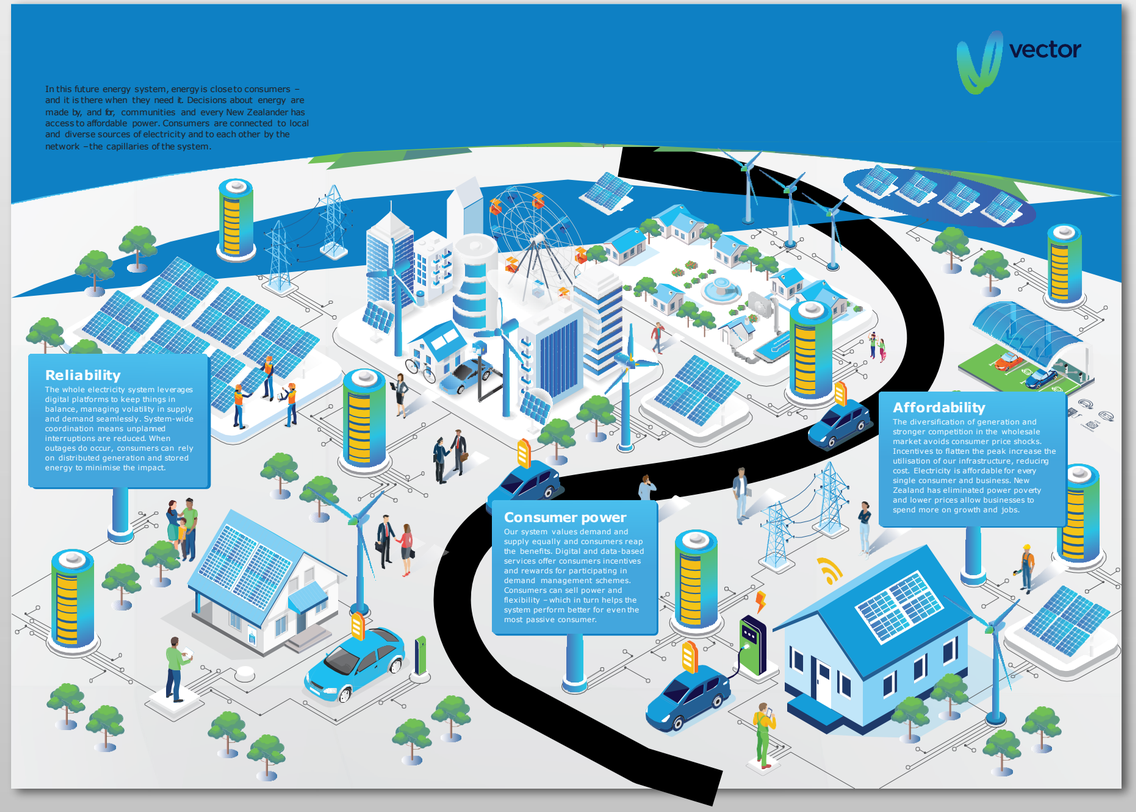
More complex information = higher ROI on visualising strategy



Vector





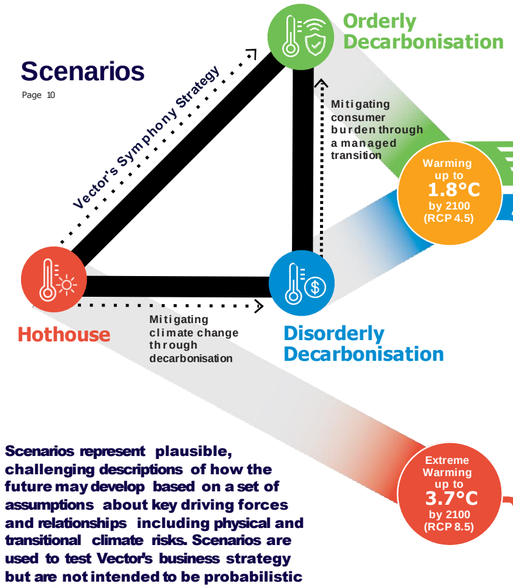
Vector

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

Page 10



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.

Risks/ Opportunities	Time Period	Strategy	
Energy Platforms (Page 25)	SHORT TERM 0–3 years; MEDIUM TERM 3–10 years	Strategic Partnerships	Developing data-driven products and services with leading technology partners to enable a greater uptake of renewable electricity supply, and electrify energy demand.
Advanced Metering (Page 26)	SHORT TERM 0–3 years	Unlocking Data	Working with governments, and regulators to drive the importance of unlocking data from advanced meter uptake in New Zealand and Australia. Vector also partners with distributors, retailers, and global technology platforms to drive energy management innovation.
Distributed Energy Resources (Page 27)	MEDIUM TERM 3–10 years; LONG TERM 10–30 years	Network Virtualisation	Developing network virtualisation software that uses dynamic simulations to manage the complexities of bi-directional power and therefore enables a greater uptake of distributed energy resources.
Energy Efficiency (Page 28)	SHORT TERM 0–3 years; MEDIUM TERM 3–10 years; LONG TERM 10–30 years	Technology Management and Innovation	Ongoing product innovation in building efficiency systems keeps Vector at the forefront of new technology, and new channels to market.
Inability to Efficiently Manage Peak Load (Page 18)	LONG TERM 10–30 years	Enabling and Advocating for Demand Flexibility	Working on the alignment of regulatory, and policy settings, together with energy industry solutions that leverage digitalisation of the energy sector, to realise energy flexibility.
Unmanaged Transition from Gas (Page 20)	MEDIUM TERM 3–10 years; LONG TERM 10–30 years	Managed Gas Transition	Working with government, and the wider industry on the Gas Transition Plan, to establish realistic transition pathways for the fossil-gas sector to decarbonise.
Increase in Extreme Weather Events (Page 22)	SHORT TERM 0–3 years; MEDIUM TERM 3–10 years; LONG TERM 10–30 years	Network Resilience Plan	Addressing actual and potential physical risks through a framework that breaks physical resilience into three categories: robustness, resourcefulness, and recovery.

Governance

Page 6

- 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

Dexus

Dexus climate scenario analysis

Dedication and delivery

An orderly decarbonisation

limited to 1.5°C warming by 2100

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.

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

BY 2030

- Property sector electricity demand decreases by **70%**
- Rapid uptake of renewables and battery storage
- Introduction of a global carbon price

BY 2050

- All buildings are net zero emissions
- Australia's electricity sector is carbon neutral
- Electric vehicles share of Australian cars and light commercial vehicles increases to **90%**

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

Dexus climate scenario analysis

Delay and disruption

A disorderly decarbonisation

around 2°C warming by 2100

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.

THE PRE-2030 POLICY SHOCK

- Very high energy efficiency standards imposed on all buildings (new and existing)
- Significant incentives for renewable energy
- Global phase out of coal, Australian coal use and exports cease by 2050
- Sales bans on conventional vehicles
- National carbon prices with border carbon adjustments

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

Dexus climate scenario analysis

Division and deterioration

A failure to decarbonise

exceeds 3°C warming by 2100

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

- 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

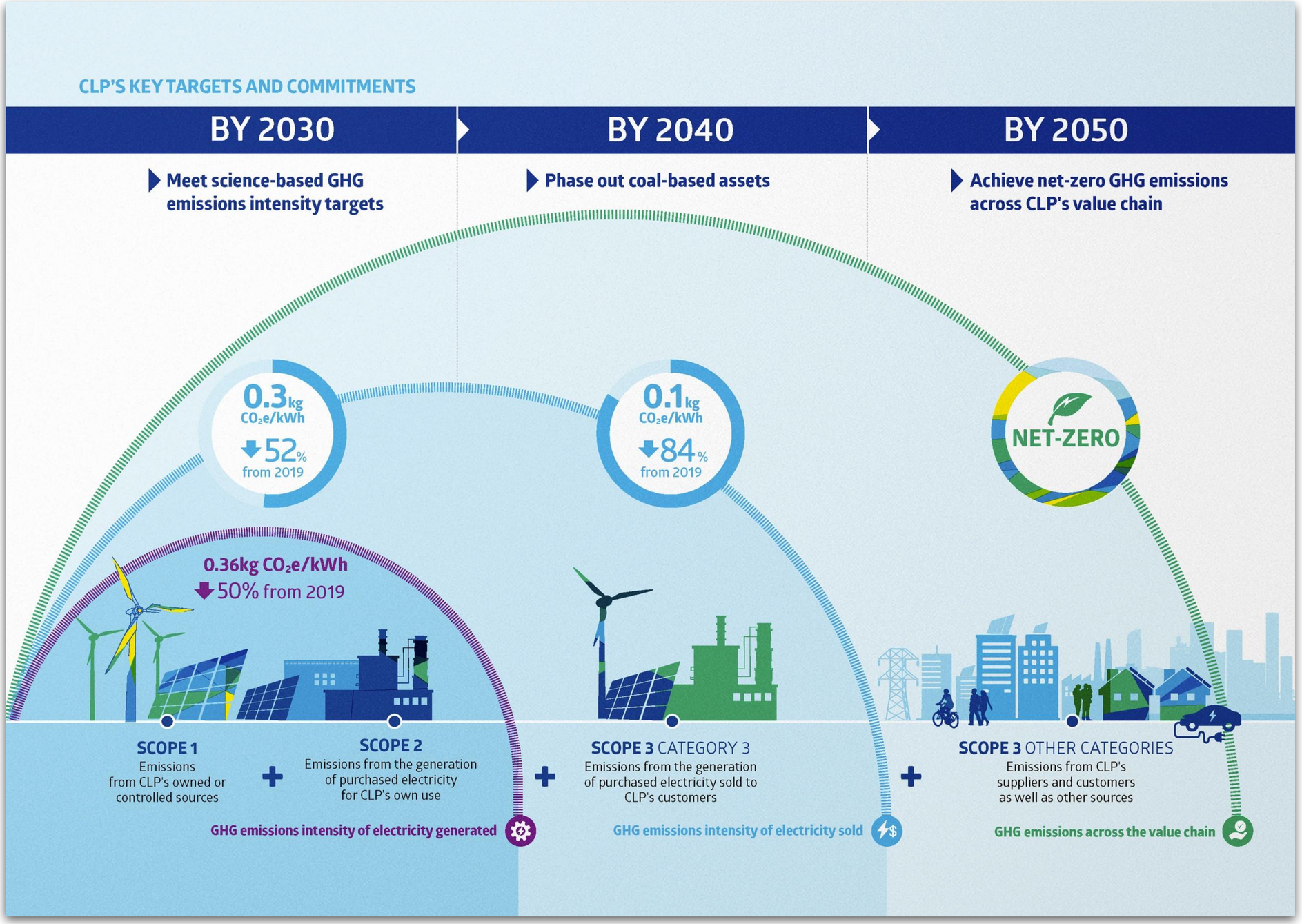
WHAT THIS MEANS FOR DEXUS

- 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



Westpac Group

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.

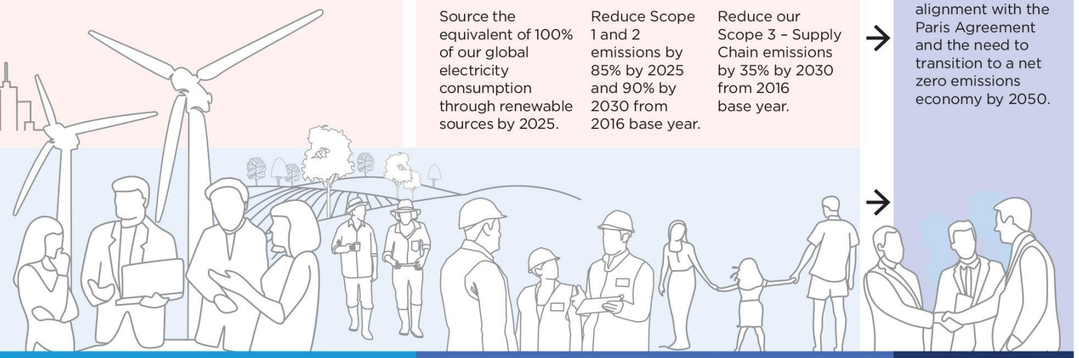
OUR APPROACH

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

- NET ZERO — A transition to a net zero emissions economy is required by 2050
- Economic growth and emissions reductions are complementary goals
- Addressing climate change creates opportunities
- Climate-related risk is a financial risk
- Collective action, transparency and disclosure matter

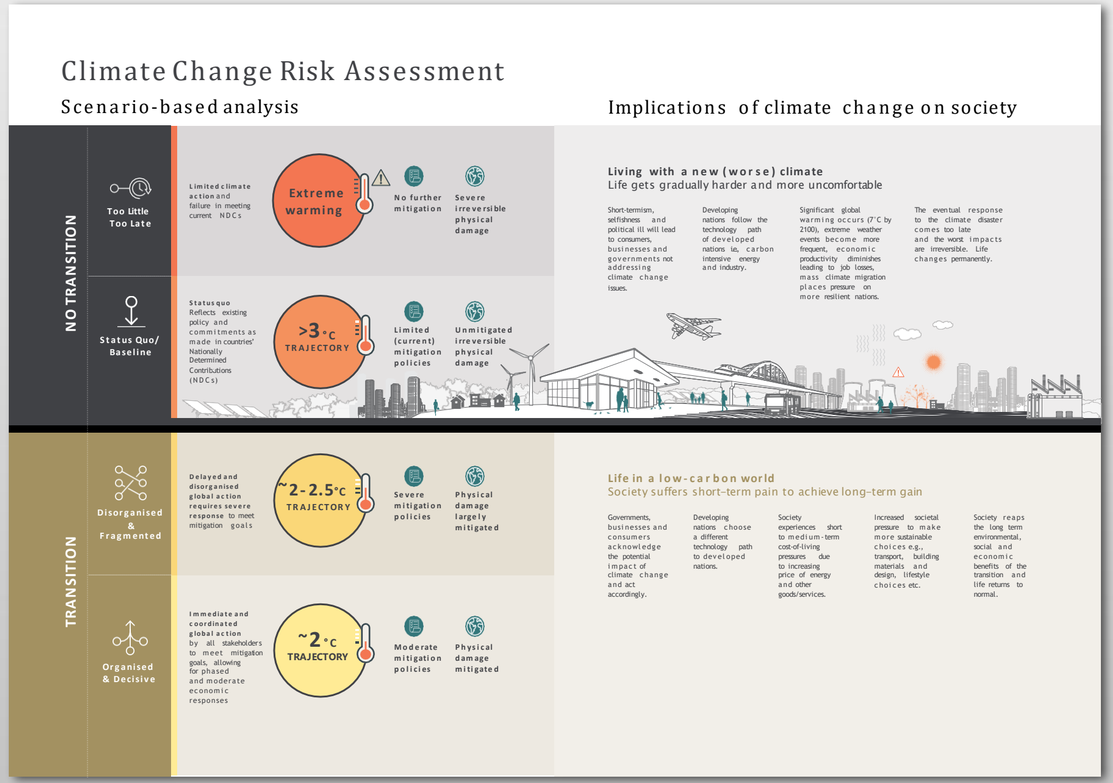
OUR CLIMATE ACTION PLAN

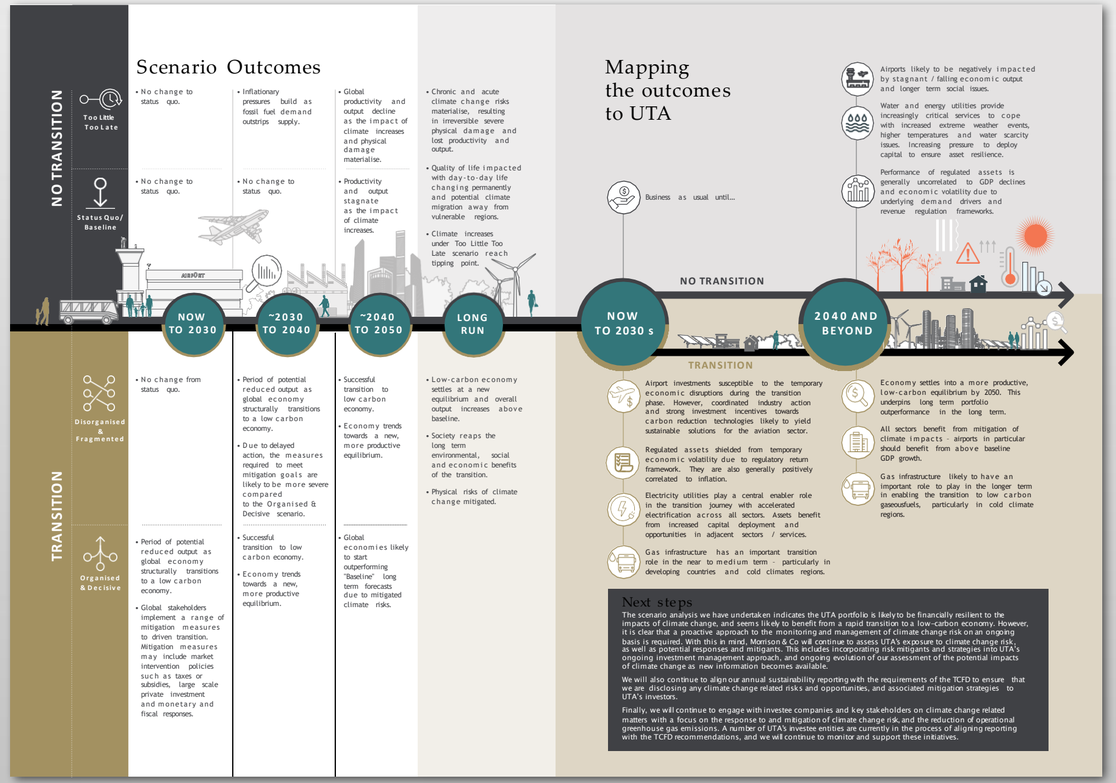
	SHORT TERM 0 TO 3 YEARS	MEDIUM TERM 3 TO 10 YEARS	LONG TERM 10 TO 30 YEARS
Helping customers and communities respond to climate change, we aim to:	Provide $3.5 billion new lending to climate change solutions by 2023. Develop Paris-aligned financing strategies and portfolio targets for sectors representing 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_2-e/MWh by 2025; and 0.18t CO_2-e/MWh by 2030. Manage our thermal coal mining portfolio in line with a commitment to reduce our exposure to zero by 2030.	Manage our business in alignment with the Paris Agreement and the need to transition to a net zero emissions economy by 2050.
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.		



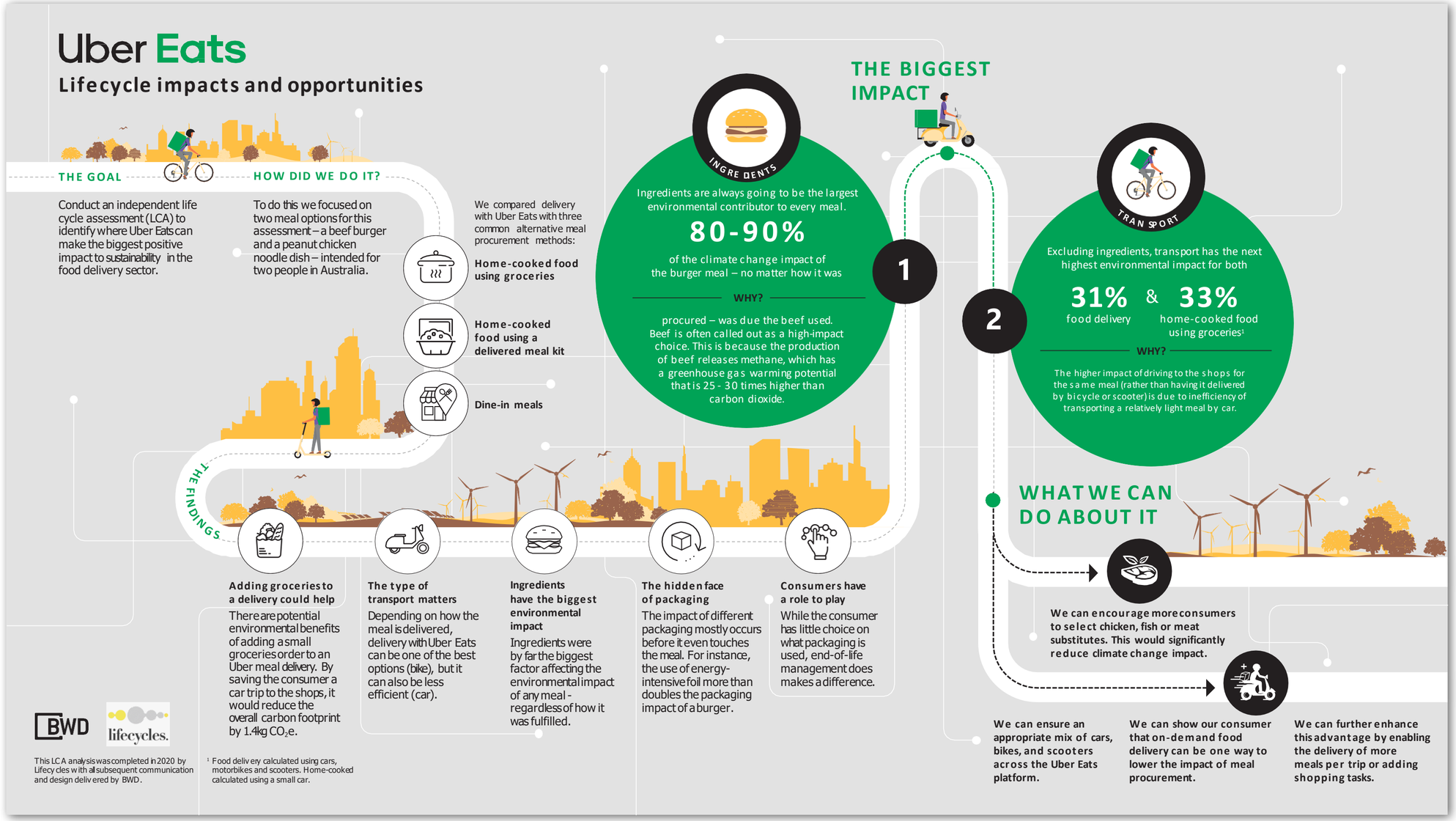
To learn more about our climate strategy and targets, read our Climate Change Position Statement and 2023 Action Plan

Morrison & Co

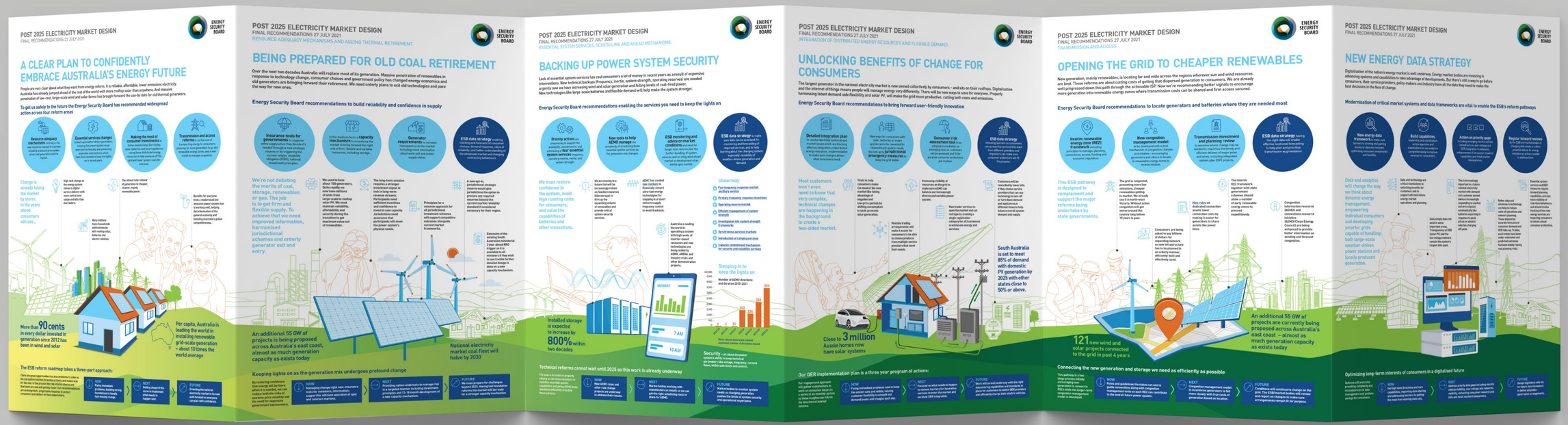




Uber Eats



Energy Security Board



Aiming for Net Zero

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

Communicating the importance of climate change

A summary

How to communicate effectively on climate change

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Use language and symbolism that resonates with conservative values

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

TIP 2
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- Look instead to trusted insiders. Authenticity matters.
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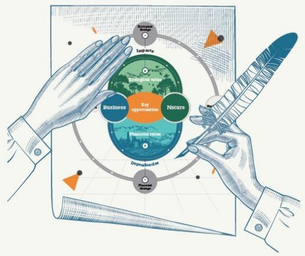
- Create a hopeful narrative
- Emotionally connect with your audience



TIP 4
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Luke Heilbuth
CEO
E luke@bwdstrategic.com
M +0422 339 069

w www.bwdstrategic.com
e hello@bwdstrategic.com
t +61 422 339 069 (AUS)
t +1 718 618 4778 (US)

SYDNEY
Suite 2, Level 1, 234 George Street, Sydney NSW 2000
Australia

BRISBANE
Level 6, 200 Adelaide Street, Brisbane QLD 4000
Australia

PENANG
A12-2, Halaman Halia, 10470 Tanjung Tokong,
George Town, Penang, Malaysia

NEW YORK
237 36th Street, Brooklyn NY 11232 United
States

AUCKLAND
Tamaki Makaurau/Whaingaroa (Raglan), Aotearoa/New Zealand

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