

# Speech: Climate Change: Turning emergency into opportunity

## **Introduction**

My original working title for this speech was: 'Is climate change the new Brexit?' My point was that it's not. You can worry about Brexit if you want, but you'll be worrying about the wrong thing. If you rank the things that could literally kill us on a scale of one to ten, Brexit isn't even a one. Climate change is a ten.

That said, there are similarities between Brexit and climate change. The timescales of both are uncertain and the consequences highly contested. They will both directly affect everyone in this room, governments, businesses, the public, our daily lives. Most important of all, we have agency on both: the key factor in whether either of them ultimately turn out for better or for worse is what we do now.

## **Why resilience to climate change needs to be at the top of everyone's agenda**

Let's start with why this matters, with why climate change needs to be at the top of everyone's agenda. I set this out in a speech last September called Too True To Be Good. I won't repeat all that: you can find it online if you want. But here's the short version.

Climate change is happening: the evidence is compelling and no serious scientist denies it. There has always been climate change: almost since the Earth formed, natural processes have driven cycles which cause ice ages and global warming. We wouldn't be here if this hadn't happened.

However the climate change we are now experiencing is different, because this time it's being caused by humans – by the emissions from fossil fuels since the start of the industrial revolution which have greatly increased the amount of carbon dioxide and similar gases in our atmosphere.

These gasses are creating a greenhouse effect around the planet which means temperatures are increasing. This has two major effects. It is making the world's seas rise, as landlocked ice melts. And it's making the world's weather more extreme.

And this, ladies and gentlemen, is a bad thing. The result will be (and already is) more frequent and more extreme flooding; faster and more extreme coastal erosion; more frequent and more extreme droughts, water shortages and fires; more pollution; and potentially existential damage to habitats, plants and wildlife.

We are already seeing all of these effects. Unless we tackle them, they will have profound and potentially terminal consequences for everything that

matters to us. Some parts of the planet, including in this country, may become unliveable. While you can recover from a flood, there is no recovery from a rising sea: it takes land, communities, infrastructure and everything else away forever.

The business models of many companies will cease to work. Example: the greatest risk to the water companies the Environment Agency regulates is the gap that climate change is likely to open up between the supply of water and the demand for it – what I called the Jaws of Death in another speech a few weeks ago.

And without enough water or the other inputs which climate change puts at risk, our wider economy may cease to function. Our politics may be changed utterly, as people demand action from their leaders on what may become the only issue that matters. Our world may become more dangerous, as conflict over water and other scarce resources escalate. At worst, our planet may simply become unviable as a place for the species who caused all this: us.

That is why climate change is simply the biggest issue there is. It is the biggest threat out there to our economy, environment, health, way of life, our country, our world, and our future.

Bill Shankly, the legendary manager of Liverpool FC, said that of course football wasn't a matter of life and death: it was much more important than that. So: climate change is not the new Brexit. It is much more important than that, and it is a matter of life and death.

## **How to tackle climate change successfully**

The good news is that it doesn't have to be like this. We can tackle climate change successfully if we act now and act together.

We know what we need to do: mitigate and adapt.

We need to mitigate the causes of climate change, by cutting our emissions of greenhouse gases. Most of the UK's emissions come from the way we produce and consume energy – from heating our buildings, driving our cars, manufacturing goods, watching our TVs or boiling our kettles. We can lower our emissions by becoming more energy efficient and switching to renewable or low-carbon fuels.

We've made a good start on that. UK emissions are down 43% compared to 1990, while over the same period the economy has grown significantly. That's really important: it shows that we can both tackle climate change and grow our economy.

But here's the catch: most of these reductions in emissions have come from closing down coal power stations and cleaning up heavy industry. That was the easy bit. It's a lot harder to reduce emissions from transport, agriculture and buildings. That will require much greater use of renewable energy, and infrastructure to capture and store remaining carbon emissions.

And we need to go much further than that. A truly successful response to

climate change requires us not just to change our technology but to change our whole way of living and of thinking. We need a revolution in the head. This is about much more than just cutting emissions – it's about turning our thinking on its head to plan for a sustainable future in which we are responsible consumers of stuff and responsible custodians of the planet's future. We don't yet have all the answers, and we should recognise that. But we do know that by radically changing the way we live, think about and plan for the future we can build a thriving economy, vibrant communities, and a more resilient world.

Much of this is about our lifestyle choices. As I said, we have agency. We are free to make those choices: about how we work, how we travel, what kind of buildings we live in, what food we eat, how we use the land around us, how we transport the things we need, how we heat our homes, right down to how we wash ourselves and how we dry our clothes.

So much for mitigating the drivers of climate change. We also need to adapt to its effects, by preparing for, reducing and as far as possible negating them. That will include building stronger flood defences to reduce the vulnerability of communities along our coasts and rivers. It will include – if we want to avoid the Jaws of Death – investing in new reservoirs and desalination plants. And it will mean building infrastructure that is designed to be resilient to the more extreme weather we know is coming.

But again, it's not really about the hardware in our cities, it's about the software in our heads. It's about how we think and behave. While we do need more defences and more resilient infrastructure, we need most of all to work with rather than against nature and to build places and communities which are naturally resilient to a changing climate. And we need to face up to some inconvenient truths: like the fact that some of our communities are in places – eroding coastlines, flood-prone floodplains – which will not be safe or liveable over the long term; and that the best response may ultimately be not to build ever higher walls until the day the waves inevitably come over the top, but to move the communities away from the risk.

## **Turning risk into opportunity**

Perhaps most important of all, we are beginning to understand that while climate change brings fearsome risks it also brings huge opportunities if we get our response right.

There are opportunities for business. The insurance companies are pricing climate change into their policies and looking to help their customers become more resilient to its effects, not least because that can cut insurance payouts when things like flooding happen. The water companies, energy companies, retail sector and others see the hard-nosed business sense in investing now for resilience later.

That's why Clean Growth is a key plank of the government's Industrial Strategy and why the Industrial Challenge Fund is putting £4.7bn into innovation, including energy transformation, industrial decarbonisation, electrification, and driverless vehicles.

There are opportunities for Finance Ministries, business planners and investors. The cost of mitigating and adapting to climate change is far outweighed by the economic benefits – in terms of damage foregone, extra growth achieved through new investment and infrastructure, prosperity boosted through innovative technology, profits made from new business opportunity.

There's a fundamental point here and it's this: good business can benefit the environment, and there's money in mitigation. We can cut emissions, enhance resilience, make money and create a better world, all at the same time.

Here's an example. International pension funds are constantly looking to invest in opportunities which will bring a profitable but secure return over the long term. Establishing schemes which (say) allow those pension funds to invest in planting the right trees in the right places would offer multiple benefits.

It would reduce flood risk, as forests slow the flow of water down into rivers; improve water quality, as water running into those rivers is purified by the woodland environment; mitigate climate change, as trees lock up the carbon that would otherwise cause global warming; help keep the rivers and roads cool (good for people and wildlife); reduce air pollution; enhance the landscape; boost amenity value and enhance the wellbeing of the humans who walked or lived near those trees. Critically, it would also produce attractive long term regular commercial returns for the pension fund as a proportion of the mature trees were harvested and sold every year.

There are opportunities for government. We all know that you should never waste a good crisis. If (like Brexit) climate change has created an unfrozen moment where what was not politically possible now becomes essential, there's an opportunity to craft new policies that will fit us for a climate changed future, and a better one.

You can see that in the 25 Year Environment Plan launched last year by the Prime Minister and Michael Gove. It commits the government to take all possible action to mitigate climate change. But it also sees that action as a way to achieve the audacious ambition at the heart of the Plan: to be the first generation to leave the environment in a better state than we found it. There are opportunities for politicians. The climate strike movement among schoolchildren shows not only that young people put this issue at the top of the agenda, but that they are prepared to do something about it. The politicians and parties that embrace and capitalise on this youth movement will be far more powerful than those that don't.

There are opportunities for NGOs. Climate change offers them the opportunity to enlist a new generation of young people outraged at the risks to their future; and perhaps to reframe this debate in ways that will mobilise more than just the usual activists – as less about the environment and more about the future of the new generation and the planet they are about to inherit.

There are opportunities for the Environment Agency and the work we do to reduce flood risk. The costs of building and maintaining flood defences are dwarfed by the benefits – economic, social and other – of the enhanced

national resilience they bring. There are opportunities to think radically and differently about how we secure that greater resilience alongside greater prosperity. We will set out our new thinking next month when we launch our new Flood and Coastal Erosion Strategy.

## **Seven Brexit lessons**

I said climate change wasn't the new Brexit. But I do think there are lessons we can learn from Brexit for how to tackle climate change.

Lesson one: look for the opportunities as well as the risks. Brexit carries both: we are all seeking to manage down the risks and realise the opportunities. We should treat climate change the same way.

Lesson two: if it matters, give it absolute priority. What they teach aspiring CEOs at Harvard Business School is this: the main thing is to make sure that the main thing really is the main thing. Brexit has been the main thing for many of us over the last three years. That makes sense: it is both urgent and important, and we have all been right to devote time, resources and energy to getting it right. But if you buy the argument that the main thing is actually climate change, then we all need to be devoting as much effort over the next few years to tackling that as we have devoted over the last few years to Brexit.

Lesson three: if you're tackling a unique challenge, don't run it as business as usual. The Environment Agency, like the rest of government, the emergency services and local authorities with whom we work, has prepared for a possible No Deal exit as if it were a major incident, with proper contingency planning, incident rooms, mechanisms for real time decision making, etc. Maybe we need similar arrangements for tackling climate change, because climate change is the biggest incident there is.

Lesson four: use reasonable worst case scenarios to stress test your organisation. That's what all our organisations have been doing with a possible No Deal Brexit. We've all asked how, if there were disruption to ports and supply chains, economic shocks or civil unrest, we would sustain our operations. Doing that analysis taught us all something about our potential vulnerabilities in other scenarios too, gaps we are all now plugging. The same applies to climate change and its effect on our organisations, with one difference: unlike a No Deal Brexit, we know climate change will happen. If you aren't already asking how your organisation would cope, why not? And if you aren't, your Audit and Risk Committee soon will. As will your customers and stakeholders, which leads me to...

Lesson five: think about your reputation. It is safe to say that not all reputations have been enhanced by Brexit. There's a lesson there for climate change too. Ask yourself this: what will getting our response to climate change wrong do to the reputation of my organisation? Look for the hidden reputational risks. Is your vehicle fleet as low emission as it can be? Are your suppliers burning a lot of hydrocarbons? Are your pension funds invested in companies that are part of the solution, or are you actually funding part of the problem?

Lesson six: mind your language. There have been a lot of intemperate words on all sides in the Brexit debate. They have usually generated more heat than light. The language we use matters. The right language can frame the debate in the right way. Striking language can get people's attention. So too with climate change. If words like "climate change" and "global warming" have become a turn-off for most ordinary people, let's use different words. Perhaps we should stop talking about climate change and call it what it now is: a climate emergency. Better still, let's use language that lifts our emotions up rather than drags us all down. Let's talk about what the right response to climate change will give us: sweet water, clean air, safe homes, a planet that stays blue and green not brown and grey.

Seventh and final lesson from Brexit for how to tackle this climate emergency; and it's this: if you want to succeed, build a broad coalition. Not just cross party, but between government, business and the third sector, and critically with the public. While climate change isn't the new Brexit, pulling together as a nation to focus on tackling climate change could help bring our country back together. After nearly three years of argument over Brexit, all the polls show that most people want to move on. Many want something bigger to believe in that they can work towards and connect with on an emotional level. Climate change could provide that rallying point. Because while there may or may not turn out to be a Plan B for Brexit, there is no Planet B for us.