

**SM81 | 8.6.2022****Summer Playlist | Episode 6**

Robert Casamento, Global Climate Chair, Edelman

**In overlapping crises of climate and trust — how do we work together to effect change?****For the final track of our Summer Playlist, we sit down with Edelman's Global Climate Chair, Robert Casamento, to explore the role of communication in unlocking necessary climate action.****Insightful for organizational and global leaders alike, Robert and David Greely cover how to use our common goal of 1.5° to align on practical solutions that meet short and long term energy and infrastructure needs.****Robert Casamento** (01s):

The science is crystal clear. What we are challenged with is, you know, what is the speed, the sequencing, the costs, the benefits, the different forms of collective systematic action we need to take to get to the pathways of net zero. So again, we know what the science is telling us. We know what the carbon budgets are, we know what the math tells us, but there's no agreement on what is the right pathway, and there may be multiple different pathways. And in order to come together at the speed and scale and the level of collective action, for me, that's a communications and a cultural problem that we need to fix as much as it is a technology, policy, and financial problem.

**Announcer** (34s):

Welcome to Smarter Markets, a weekly podcast featuring the icons and entrepreneurs of technology, commodities, and finance ranting on the inadequacies of our systems and riffing on ideas for how to solve them. Together we examine the questions are we facing a crisis of information or a crisis of trust and will building Smarter Markets be the antidote?

**David Greely** (59s):

Welcome to the final episode of our Smarter Markets summer playlist, where we're sitting down with our special guests midway through this momentous year in markets to talk about where we are, where we might be, and need to be heading next. It's beach reading in a podcast. I'm Dave Greely, Chief Economist at Abaxx Technologies. Our guest today is Robert Casamento, Global Climate Chair at Edelman. We'll be discussing the role of more effective communication in creating the cultural changes we need to help stop climate change. Hello, Robert, welcome to Smarter Markets.

**Robert Casamento** (01m 32s):

Hey Dave, thanks.

**David Greely** (01m 33s):

I've really been looking forward to this episode, you know, on Smarter Markets, we discussed the role of the markets, public policy and technology in creating meaningful change and we do that because we believe that these conversations, that effective communication speaking and listening is key to creating the type of change that we need to confront our biggest challenges as a society. Now, when I look at your career, you've worked on climate issues for decades, you've worked in the financial policy and technology spaces. Now you're working on climate issues from a communications perspective. So I wanted to start asking you, why did you choose with your experience and at this point in your career to focus on the communications side of the climate change problem?

**Robert Casamento** (02m 19s):

I think, look, if anyone has a reason to say that their career has been an absolute failure, it's me. When I started this journey 25 plus years ago, the goal was to solve for climate change by now. But the opposite is true. Emissions are going up, knock down. The world is warming at rates that even some of the world's most prominent global scientists are alarmed by as a result, there are more jobs postings for climate change experts than ever before and while you could argue that's a good thing because the size of the problem is so large, complex and challenging. And in order to have success, we need as many people as possible, you know, steering their careers

towards solving the challenges. The reality is that it all went wrong. We shouldn't be in this position for over 25 years. We've implemented, learnt from and know what policies levers work and don't work.

**Robert Casamento** (03m 10s):

We have more than enough technology according to, you know, many in the science community, many in the business community and in fact, even the intergovernmental panel on climate change report from April this year mentioned that, you know, we have enough technology knowledge to achieve the reductions in carbon emissions. We need to see within this decade, and there is more than enough capital in the world to fund the changes we need to see, but it's still not working. So something is missing. So when I took time to reflect on that a few years back, particularly as we're leaning into this decade of action, I came to a simple conclusion. There must be something that's missing. That's not holding it all together. So what is that missing glue and I came to the conclusion that the glue that potentially holds the policy, the technology and the financial solutions together is better communications.

**Robert Casamento** (04m 03s):

And if we want to solve for climate change, we need to connect better. Look, I've known neuroscientist, and please don't anyone quote me on this. But I have been reading recently, some recent papers on the parts of the brain that trigger when a human feels empathy and it happens to be the same part of the brain that triggers when you tell stories, not math, not statistics, not endless economic reports on how much does this cost, how much does that cost, no rational reasoning as to why choice A is better than choice B but actually stories and if you think about it, the changes we need to make are as much cultural as they are physical. The cultural change requires empathy. You have to have empathy for those close to us who we don't want to see impacted by climate change. I live in California and I literally this morning had to wake up and close the windows because of the smog currently happening from the fires in Yosemite.

**Robert Casamento** (04m 55s):

We've recently seen just in the last few weeks, the heat wave across Europe and the challenges and the issues associated with wildfires in Portugal, Spain, France, Greece, we've seen record temperatures now occur just this last week again in China. So you have to have empathy for those that are impacted by that. And they're getting closer and closer to every person on the planet. In real time, you also have to have empathy for other people on the other side of the world that you also don't want to see impacted, but importantly, you have to create intergenerational empathy. If we care about the future, you have to have empathy for it. So if the part of the brain that is triggered, you know, it by stories is the empathy part of the brain. Then there must be something in that. The other thing is we have eight years left to really get to, you know, what the IP CCC says is, you know, up to, you know, a 40 to 50% reduction in greenhouse gas emissions by 2030.

**Robert Casamento** (05m 47s):

And so for me, after a long career in policy finance and technology, I truly believe that with the time we have left to achieve what we need to achieve, given the assumption that as I said, we know all the policy levers that need to be pulled. We've tested them. There's more than enough theories out there as to what works and doesn't work, but also more than enough practice, we have enough technologies to get to the emission reductions. We need to see the rest of this decade, and there's more than enough capital in the financial system to pay for it. Then I truly believe we need to win the battle of hearts and minds. And so that's why I joined a communications company.

**David Greely** (06m 21s):

And I'd love to dig into that, that piece of winning the hearts and minds and creating a cultural change because, you know, my background, I'm an economist by training and I think many people in this space have a background in economics and in many ways, it's a great way to be able to think about problems and look at the world but I think it's also a way of thinking that leads to assuming that, you know, the preferences of consumers, the demand side of this story you take it to be fixed it's a given and I think people who have more of a background in communications, advertising, marketing, see these preferences as much more malleable. There's something that can be shaped. People can be persuaded and part of this is changing the culture that people live in and, you know, companies like yours companies like Edelman study the culture, and I wanted to dig in with what aspects of our culture do you think need to change the most to help meet this challenge of climate change and the time we have?

**Robert Casamento** (07m 18s):

You know, one of the things that actually attracted me to Edelman and, and the communications industry is its ability to track culture, to, to have its finger on the pulse of what people think, why they think it, you know, and, and what comes from that. I, myself, bachelor

of commerce, finance, you know, Black Sholes model, you know, debit credit entries. I started off my career in the financial world. And so culture really didn't hit any of those, you know, early understandings, you know, and positions that I was looking at with respect to climate change when we are designing things like feed in tariffs and the emissions trading schemes and the early forms of carbon market mechanisms, we looked at the mechanics and it's important. You know, economics has a vitally important role to understand the issues associated with how you try to solve for effectively externalities in a model that, you know, historically hasn't allowed for externalities at price of carbon to be priced effectively in financial models, et cetera.

**Robert Casamento** (08m 16s):

But what I've come to realize is culture plays just as an important part now. And why is that because the changes we need to see are sector wide and they're global. We have to change the way we produce food and therefore we have to also change the way and the decisions we make when we eat food. For example, switching to plant based diets in many countries that goes against some core cultural norms, imagine a summer barbecue, you know, a 4<sup>th</sup> July barbecue, which I love to celebrate here with my family in America, where meat is not the main focus of the menu. Imagine the number of cooking shows and cookbooks that today, focus on barbecues and meat. Imagine a world where at Thanksgiving, the lead article is not about how many people are traveling, but how many people are staying over. All right. Imagine a world where people reuse, re-wear, repurpose clothing, as opposed to buying, you know, net new, fast fashion.

**Robert Casamento** (09m 12s):

These are cultural questions, as much as anything else we have, you know, an experience through COVID where for, you know, we've seen how the transformation from going to the office and work from home is as much a cultural conversation is, is about, you know, a health conversation. So I think if you start to look through climate in that lens, you start to realize that culture plays a critical and fundamental role here in enabling the transitions that we need to see across different sectors. I think the other thing is that that the scale and the speed of the required transformation is unprecedented, there will be winners and losers, and hence, we're going to see, and we're already seeing it deep political challenges where, you know, inevitably you see contested narratives, carbon capture storage classic example. Okay. If you look at the literature and the communications around carbon capture storage, you see on the one hand, people who support carbon capture storage saying if we don't do it, it's the death of us all.

**Robert Casamento** (10m 12s):

And you see on the other end of the spectrum, people who say, if we do it, it's the death of us. All right. The reality is there's something in the middle and what we do have is we do have the science, right, the science is crystal clear. What we challenge with is, you know, what is the speed, the sequencing, the cost, the benefits, the different forms of collective systematic action. We need to take to get to the pathways of net zero. So again, we know what the scientist is telling us. We know what the carbon budgets are. We know what the math tells us, but there's no agreement on what is the right pathway and there may be multiple different pathways and in order to come together at the speed and scale and the level of collective action, that's again, for me, that's a communications and a cultural problem that we need to fix as much as it is a technology policy and financial problem.

**David Greely** (11m 01s):

Yeah and I'm curious, how do you go about, like, what is the process for creating that type of cultural transformation, like how are you working with your clients at Edelman to apply that and prepare them and help them be a part of that cultural transformation?

**Robert Casamento** (11m 17s):

Look, one of the things, again, as a new person coming into an industry that quite honestly, for 30 plus years, I didn't really get involved in one of the most important things that I really appreciate Richard Edelman for his leadership in was first and foremost, we need to educate ourselves and so step one is, you know, we've made a significant investment over the last seven months, first and foremost, to establish a set of climate principles. Those principles, you know, are the guidepost by which, you know, everything we do moving forward is going to be, you know, aligned. The second thing we did is we are implementing corporate wide mandatory, all staff training, all 6,000 employees at Edelman worldwide will get training on climate change and the implications and, you know, and, and how we can work with clients on their, on their journeys.

**Robert Casamento** (12m 09s):

And the third part we have done is we are working internally through a series of internal workshops with specific account teams, where we do deep dives on the substantive issues and we are working with a company called Systemic, which is a systems wide change consulting company, specializing in system transformation and climate change and thus far we have identified over a hundred specific

issues related to the clients and the sectors we work with on climate change and we have looked at them from perspective of two axis, the first axis are, what are the issues and the challenges associated with actions that align with the pathway to net zero, a pathway aligned to net zero that is consistent with the Paris Accords. Well below two, but as we see now with the science based target initiative, leaning into 1.5. So what are the things that organizations should be doing or could be doing, or stakeholders expect them to do on that.

**Robert Casamento** (13m 03s):

Let's call it the due axis. One of the things you need to do. The second thing we looked at is an, a axis of communications. How do you talk about it and so then we have looked at the state of climate communications. We have done a deep dive over the last seven months of, you know, the world of climate communications, including, you know, emerging regulations and standards and best practices on things like green washing and the debate going on with respect to ESG versus impact and impact investing and we have done an analysis of that to, again, educate ourselves. What are the challenges and what are the ways that climate communications is taking place today? The next thing we do is we listen we then take a pulse of the marketplace. What are the stakeholders thinking and what are they doing at this point in time?

**Robert Casamento** (13m 47s):

Again, this is where Edelman quite honestly was very attractive to me. Edelman has 20 plus years of the trust barometer research and that's critical here. Cause if you think about that matrix again, if you, if you create the do and the say a axis, it's effectively a quadrant bottom left. If you're not doing enough, and you're not saying enough, you're effectively destroying trust, right, if you are top left and you're doing a lot, but you're not saying a lot, you're effectively under valuing trust. If on the other side, you're saying more than you're actually doing effectively, you're eroding trust and so if you think to that top right hand quadrant, if you are doing the right things in accordance with what the science says is needed in accordance, what stakeholders expect of you to do, and you're saying it the right way, then you can actually build trust.

**Robert Casamento** (14m 36s):

And so we've created over the course of the last few months, this idea, this model, this framework called a trusted transition and so we've listened to the marketplace as to what their challenges are, and we've created that framework to help them act as a guidepost so that they can navigate the complexities. Similar to what I just mentioned about carbon capture storage. I mean, the ends of the spectrum are just limited to that issue as I said, we've already identified over a hundred issues where those types of conversations are happening across a range of issues and then finally, I think, you know, what we do is we sit down with clients and then we brainstorm, what are the things that they're doing, are they doing things that are singularly focused, are there opportunities to work greater towards systemic change, can they have a greater role with others.

**Robert Casamento** (15m 23s):

And, and, you know, in the world of communications and marketing, one thing I'm finding is that's actually could be a pretty controversial topic, a lot of marketing. And a lot of what I've heard about communication sometimes is around. Do you own the agenda and how do you differentiate yourself and how do you make sure that your voice is, is different to your competitor's voice or your peers voice so that you are, you know, in the minds and hearts of consumers to stand out to some degree that goes against the whole point of collective action, where actually, if you all agree on the same goal and the same activities, and you want to work together to move there, you know, there's not as much differentiation. So they're the types of challenges that we have and the conversations we have with clients to find the right balance. So how do you work towards collective action, but also be unique and differentiated in a way that your stakeholders truly understand your role in the equation, whether that's leadership, whether that's support or otherwise.

**Robert Casamento** (16m 16s):

And I think that's, you know, realistically, it's those three things we educate ourselves, we're put in place a framework called the trusted transition. That's going to guide our conversations and then we sit down with the clients and meet them where they are. We have some clients that are world leading with respect to climate change and have been for 20, 30 plus years. We also have clients that are at the beginning of their journey. So part of that, sitting down with clients and brainstorming is to bring the knowledge and experiences, you know, to each of them in a way that we can effectively lift everybody up. There's no solution to climate change. If we just continue to hear from watch and observe what the usual suspects have been doing for the last 20 plus 30 plus years, this is truly a system wide change and so we need to bring up all the other businesses, all the other activities.

**David Greely** (17m 05s):

And because it's a system wide change that I just keep going back to your comment on trust. You know, we've often asked on this podcast, whether we're facing a crisis of information or a crisis of trust and when I look back at the experience of the COVID-19 pandemic, it seems like we had plenty of information, but not enough trust. And I worry, you know, is that foreshadowing, do we face the same issues on an even bigger scale with climate change and the energy transition to a net zero economy and so I wanted to dig a little deeper with you and, you know, there's with your clients, and there's also what can each of us do. How can we communicate with each other in a way that builds trust and why does it seem so difficult right now?

**Robert Casamento** (17:49):

Yeah, great question. I mean, I think the difficulty comes from the system within which we're communicating communications over the last 20 years. Like many other industries has changed significantly across the board. It occurs within a rich, highly complex and dynamic system, which as we know, sometimes has widely divergent knowledge, politics and cultures influencing what is being said and who it's being said to. There's also a variety of different messages who craft and transmit different and sometimes opposing messages to an ever increasing number and complexity of channels to an ever diverse set of audiences who come with their own preconceived, preexisting beliefs, attitudes, and values, and who actively interpret and construct their own meanings from the messages and then they in turn continue to push it out through those same, you know, increasingly complex networks. So the challenge where trying to solve, he isn't simple, all right.

**Robert Casamento** (18m 47s):

You've got to take into consideration the let's call it the pipes and wires by which, you know, the, the information is being shared because it's through these different processes that the climate change awareness understanding or misunderstanding concern and action needs to be, you know, needs to be shared. So I could actually probably spend the whole of this podcast getting into that topic alone, but perhaps, maybe what's useful is to let you share about how I talk about trust internally to get everybody on the same page and I use an example of whether or not my, you know, my wife says to me in the morning, you know, do you need me to drop your shirts off at the dry cleaner okay and people then look at me strange and, and say, what's that got to do with climate change and my answer is, well, we now have a common goal.

**Robert Casamento** (19m 37s):

I want my shirt dry cleaned. My wife wants my shirt dry cleaned. And she's also shared with me that she's going to take a set of actions to get my shirt dry cleaned. So all of a sudden I have a level of trust that she will undertake a series of steps to achieve a common goal. She says she will do something. She goes and does it, therefore, trust is built. It's now the same with climate stakeholders have the same goal to limit warming to 1.5 degrees. So we all share as common goal. What happens now is stakeholders need to trust organizations that they're going take actions and do things that achieve that common goal. And if they do it and they say that they're doing it the right way, as I just shared with that, you trusted transition framework. That's how you build trust. So for all the complexity of the system, for all the challenges for all the let's call it signal to noise ratio out there in the marketplace, it ultimately boils back to, are you taking actions consistent with a pathway that is a shared goal of 1.5 degrees.

**Robert Casamento** (20m 41s):

And when you're communicating at it, are you communicating in a way that, you know, what you say is consistent with what you do. So I think, you know, for me, that's the easiest way for us to move trust now on an individual level, what does that look like? That looks like you having to appreciate, you know, what are those expectations you set okay, for the organizations that you are engaging with. When I engage with my energy company, what are the expectations I have on what they're doing to, you know, get to the common goal of 1.5. When I engage with, you know, my food company and, and who I buy my food from, what are the expectations I set on them when I engage with the airlines that I buy my tickets with, when I want to travel, what are the expectations I set with them, so each of us can set expectations on what we expect organizations to do at an individual level and then we can follow up and listen and educate ourselves on what they say they are doing and as I said earlier, if they're doing what they say they're doing, and they're engaging, we think that's how you can build trust in the transition. We need to see.

**Robert Casamento** (21m 48s):

Yeah. Like guess having to establish that pattern of keeping one's commitments is always a, a good starting point for, for building trust and I wonder, you know, do we really believe that we have a common goal you know, I go back to your statement about, you know, the competition versus working on things together and it feels like some people just believe, well, it's not really about climate. It's about

putting me at a disadvantage and you at an advantage and I wonder if you see much of that, or do you see that people are more, Hey, this is a common goal and we need to be aligned on it.

**Robert Casamento** (22m 22s):

I do think we have a common goal. I think, you know, 2015, when the Paris Accord was, was signed, was clear indication that we have on a global scale, a common goal, 190 plus countries came together and agreed on a common goal. Well, below two degrees with an aim towards limiting global warming to 1.5. So yes, I think we have a common goal. The challenge becomes how you implement that common goal relative to the different timeframes and the different implications of the transformations we need to see. Energy is a, is a great example. You know, we're seeing right now the challenges associated with the current energy supply in Europe and Germany. So what we're seeing is we're seeing energy security issues come to the fore, which then lead to economic short term challenges with inflation and other issues of that nature. We've seen the knock on effect then to food security and the impact on food prices.

**Robert Casamento** (23m 16s):

So these are short term, real human impacting issues that we need to focus on and address. Okay, but at the same time, you can't take your eye off the fact that the warming is occurring, that as I said earlier, it's occurring at an increasing rate. Historically people would have thought of goals in terms of priorities, which one did prioritize. I prioritize 1, 2, 3, and 4. In fact, when you see a lot of research and literature, and a lot of surveys out there in the marketplace, they'll tend to rank things. You know, this is more important than this, this, this, and this. Again, this is that idea of a different mindset and, you know, and, and cultural transformation and cultural thinking change. We have to prioritize both the short term needs and the long term leads together. We shouldn't stack rank them. They're both equally important. Okay. Now there is also a lot of research that's emerging that, you know, if you create too many, many challenges or barriers to an economic hardship and social hardship in the short term, it could actually lead to the outcome of a slower transition to where to net zero, then actually accelerating it.

**Robert Casamento** (24m 24s):

So you have to find the right balance between meeting the needs of today with the energy system and the infrastructure we have in place, and then investing and building the systems we need for tomorrow. You can't, unfortunately, whilst it would be great if we could, you can't just turn off the taps for energy supply. If you don't have a sufficiently accessible, affordable replacement system in place, it's a challenging conversation to have, but it's honest. And again, that's where communications can play the role rather than have two sides at opposites end of the spectrum, potentially in continually entrenching their position. You're not going to solve a climate change that way. You have to find the common ground. And I think we do have the common goal of 1.5 and well below two, but then we also have to find common ground on solutions. We have to meet, you know, with the right balance, with practical solutions that meet short term and long term needs.

**David Greely** (25m 20s):

Yeah. I mean, with finding common ground, I remember talking with Robert Friedland two weeks ago, we were speaking of the need to be able to have, you know, those types of adult conversations, you know, mature conversations, where there are no simple answers, but real conflicts between how people want to go about things that require painful compromises to balance very real tradeoffs and priorities between people who, you know, to put it diplomatically, you know, the people who aren't just each other's type of people. And I was curious like, how do we encourage and normalize these types of difficult conversations between people who disagree when it's so much easier, you know, to virtue signal, to disagree with you and vilify those who disagree, how do we create conversations again?

**Robert Casamento** (26m 08s):

Yeah and again, I think it comes back to trust. The, the important thing is to identify and appreciate the different stakeholders perspectives and we don't have to normalize everybody's point of view, but we have to normalize as an appreciation for active listening and that it's okay to be in a room with others who share a very potentially radical and, and different point of view, because it's only there that you can start to understand what those points of view are and what those perspectives are. Then you can start to assess them. Then you can start to develop strategies and tactics that help to navigate those very complicated issues across a range of, of topics that are now interconnected. If we truly want to solve this at scale and so I think that's step one, you know, get back to active listening stuff. I learned at the beginning of my career need to be better.

**Robert Casamento** (27m 01s):

Consultant is actually to be less of a talker, which I know I'm talking a lot today, but to be more of a listener. So, you know, that step one. I think the second step is, you know, you have to navigate it based around best available science, best available facts and listen to, you know, the data that's coming in. Now, again, I started this conversation by saying, you know, it's about telling stories. It is about telling stories, but those stories need to be based upon best available science and best available facts and data. And it's converting the volume of data and facts into a narrative that allows you to have these conversations, but science is not gonna be enough, you know, for, for too long, we have looked at climate transitions as a us or them right and I think, you know, there are a lot of areas where there is agreement on what we need to accelerate.

**Robert Casamento** (27m 58s):

So there is a lot of common ground there's agreement that all sectors need to be involved, especially those in the energy intensive sector. We have to have a conversation between supply and demand. That's a critical issue for the longest time look and I've been in this game for a long time and I'd like to think of myself as a, you know, an environmentalist, but at the same time, I'm a realist and if all you do is focus on supply, you can't solve for the energy equation. It's a supply and demand solution that needs to come together and in fact, the IPCC reports earlier this year for the first time they introduced a chapter on demand side, you know, energy management for the first time ever after 30 ideas, the conversation is starting to get to the point where we can lean into practical solutions and start to reduce the polarization in the conversation.

**Robert Casamento** (28m 49s):

Secondly, there's agreement that needs to include all countries, but especially the G 20 and advanced economies need to move faster. Okay. There's been controversy this year at bond where, you know, text was being suggested by some of those G 20 countries in advanced economies to include major emitters language, which actually reframes the whole climate debate for and in responsibility from, you know, nations that have historically created emissions to nations. That will be at the forefront of future emissions. That's a very controversial topic, right, there is a general agreement that all countries need to be involved, but we do need to move forward in a way that you can have those dialogues in a safe, you know, mature way, just transition. We have to move forward under the basis of just transition and we need to have substantial investments in resilience, adaptation, and focus on, you know, the challenges of the most vulnerable communities.

**Robert Casamento** (29m 42s):

We now we need to deploy trillions of dollars. We talk about right now, and you see in the press, this a hundred billion as part of the climate negotiations. It's not a hundred billion dollars. It's trillions of dollars that we need to see investing in renewables. Now I'll tell you people who are at the forefront of the global energy markets, they know that they know that they know that. And in fact, they're investing in it. Some of the largest investors in renewable energy deploying the capital are the current energy majors. Okay. But they also have that challenge as I shared earlier, which is the tradeoff between managing short term challenges and needs and economic inflation and other concerns while also building the energy systems of the future. And so it's about getting the right balance. That needs to be a very balanced, mature, calm level headed conversation.

**Robert Casamento** (30m 36s):

But there are also areas of continued division where consensus continues to break down and, you know, the speed of the transition. How fast do we need to move Yeah, I'll pause there because I could probably go on for another 20, 30 minutes on, on the areas where we don't have consensus. I think to the question, you know, even where we have those areas of consensus, the ability to sit down in a room, actively listen to the different points of view and to have a dialogue based upon best available science and facts, and reality will actually lead us to a potential to get to solutions faster. Look, I, I think the other thing is where at this point in time where some of the conversations might seem glacial and I'm having to actually learn to stop using some of the analogies I've used in the past, you know, but it may look that some of these negotiations are glacial, but if we get the conversations, right, if we get the foundations for this transformation, right, if we get the collective actions, right, if we get less polarization and more alignment on how we can move forward together, you'll see what I've experienced after a decade here in Silicon valley is, you know, those companies that get that right at the early stage, when they go through say series a Series B, C, Series C investment, they then turn into hockey sticks where their Series D, Series E send them through the roof and they quickly become unicorns.

**Robert Casamento** (32m 03s):

That's about a six to seven year cycle for most companies. When you look at it that way, I actually view the opportunity here today. If we get the communications and the conversations started in the right way and we move forward on that positive manner, you know,

that puts us back in that 20, 30 timeline where over the next three or four years, we set the right foundations and then I think we could see in the latter half of this decade, a hockey stick of transformation on some of these big critical solutions like hydrogen, like the areas of, you know, removals from emissions, from the atmosphere and most importantly, the accelerated and scale of renewables, coupled with more effort and energy related to managing energy efficiency in the demand side of energy management.

**David Greely** (32m 48s):

And moving forward so critical and there's a phrase you've you keep peppering into the conversation, which I love, which is best available because often when I see conversations in the media, you know, that this question seems to come up of, you know, how do we move towards consensus, how do we move forward on what we're gonna actually do when dealing with complex issues involving complex systems, like the climate that are not completely understood, but we understand them well enough for the problem and the choices that we need to make. Like often it seems like, you know, people say, well, you don't understand everything about the climate. So what are we supposed to do, get back to me when you understand everything maybe as an economist, I have a special place in my heart for people who have to make decisions without completely understanding the complex system they're working with. But, you know, you don't have to understand everything to do something. And how do you get the conversation past that reef, you know, that Rocky shore, where it often seems to, to flounder.

**Robert Casamento** (33m 49s):

Yeah and I think it's also, you know, economics and, and, and the business of startups to some degree has a very similar thesis, right. You wouldn't really see any of the transformations that we've seen and disruptions we've seen in some industries over the last 10, 15 years coming out of places like Silicon Lincoln valley and other centers of the world where, you know, technology solutions are disrupting business models. If they waited till they got everything a hundred percent knowledgeable, right there, there's certain element where, you know, we've got enough information to know that we should be moving in this direction. At the same time, you've got to have an appreciation for portfolio theory. There is no one solution to climate change. We have to basically try as much as we can now when we can and not all those things will work. Okay. Some will be complete failures, but rather than recognizing those failures as being a solution that didn't work and therefore evidence that were not on the right pathway, it should actually be celebrated as a lesson learned that yeah, that didn't work, but, you know, we've got, you know, six, seven other things going on at the same time of which one of 2, 3, 4 of those will work.

**Robert Casamento** (35m 03s):

So I think that type of mindset change is going to be important now that doesn't negate, however, the complexity of modeling and I think it would be remiss to have a conversation about the complexity of decision making and how we solve for complex systems. If we didn't also just touch on the issue of how complicated climate modeling is and how complicated modeling is in economics to pull the right levers at the right point in time. Now, I know I just said that it's important to have a portfolio approach and thinking and mindset, but at the same, same time again, to the, to, to listening to different points of view, the same time, there's an argument that we've run out of time to have a portfolio theory that we can no longer make mistakes. Everything we do from now forward has to work, right. So you go to find that balance.

**Robert Casamento** (35m 52s):

So then how do you find the balance between the modeling complexity associated with the transition, right. Where people do say, okay, for example, you know, is hydrogen actually a solution. It is for some industries, but not for all industries. So presenting hydrogen as a solution, that's gonna solve everything is not correct. It's, you know, it doesn't have the level of right identity to put in an airplane, for example. So you need different solutions for that, for that sector, you know, so how do you model that from an engineering perspective and then the implications it has on, on the emissions perspective, and then how do you, you know, layer in the modeling complexity with the portfolio theory, complexity with the time complexity with the infrastructure complexity, and then as we started this conversation, the cultural complexity, you know, part of what my job here at Edelman to do is to try and ultimately make all that complexity simple.

**Robert Casamento** (36m 46s):

And, and here's why just today I was talking to our gen Z team. We have a, a team dedicated to gen Z, a gen Z lab here at Edelman and the overarching response to my presentation I gave this morning on climate change to our, our gen Z community was, you know, they just want things to be simple, right, there is too much noise. There's too much information can make them, how do we make sure that we make it simple. The other thing that I heard, which is really interesting was they're hoping that the world can just slow down. It



seems to a lot of gen Zs that the world's just moving too fast on too many things. So again, you've got this challenging conversation, but on the one hand to solve for climate, you've got to accelerate and you're using language of, we've got to do more.

**Robert Casamento** (37m 32s):

We've got to go faster. We've got to go lean and accelerate, but at the same time, you've got to cultural phenomenon where you know, a good portion of the world's population is start to say, we're just overwhelmed. Yeah. We just need everything to slow down a little bit. So I know that, you know, doesn't help answer the question actually, but I think what it means for me is that recognizing and reconciling all these challenging different positions, again comes down to what we talked about previously, which is, you know, the ability to actively listen, to appreciate different points of view, to have a frame of reference by which you can move forward on a common goal and then sit down and, and, and have mature conversations and communicate with each other

**David Greely** (38m 13s):

Well and I appreciate that because I preface the question with there not being simple answers. So I appreciate that you we're willing to go down and, and have the complex conversation and I really like that idea of adopting more of the, the, you know, the Silicon valley mindset to moving forward and you know, how do you make a choice when you don't have all the facts and maybe it's time, you know, that we move fast and fix things instead of breaking them and I'm glad you brought up the, the, the gen Z, because I wanted to bring this down to, you know, a little bit of an individual level, like something that each of us can do in our own lives and, you know, we seem to be in this cultural moment where, you know, whether it's online or through the media politics, people are kind of constantly being called to anger, like a righteous anger and targeted on a daily basis with pretty sophisticated misinformation aimed at stoking that anger and I think that's part of why it feels like the world's speeding up so much. There's just one more thing, one more thing, one more thing to be, to be scared to death and angry about and what can each of us be doing to recognize when and how we're being targeted with misinformation and move past the anger and misinformation to just have those more effective conversations.

**Robert Casamento** (39m 30s):

Yeah. Well, it's a great question and it reminds me of when I went and first met my in-laws, my wife's American, hopefully by now, most of the audience will pick up my Australian accent lived in Britain and Europe for the longest time and when I met them in Kansas city, I met the family and one of the family members is a teacher and I asked him, you know, what is it that you enjoy about being a teacher and the answer was, you know, for me, very simple, but very eye opening at the same time, which was the love of enabling individuals to critically think for themselves and to never give up on critical thinking. So I think from an individual perspective, there's a healthy level of skepticism in every piece of information that you see. I think the second thing is that on an individual basis, we can take time to better understand and appreciate.

**Robert Casamento** (40m 26s):

As I said earlier, what counts as legitimate credible actions towards the common goal of limiting global emissions. I have a 12 year old daughter and you know, like many kids her age. Now they're talking about what they eat and talking about pescatarian diets and vegan diets and plant-based diets, which we had a great conversation two nights ago at the dinner table about it and then later that even if she came out with a new shirt on and I said, where'd you get that shirt, that new top and she's like, oh, I bought it from this, you know, website for a \$1.99 and I was like, do you see the correlation between the conversation we just had on the food you eat and the steps you want to take on that and where you bought that shirt. So educating her that, you know, the site in which she bought that new shirt was not necessarily consistent with a credible pathway to net zero allowed her then to think critically about the choices she's now making with respect to her clothing.

**Robert Casamento** (41m 26s):

So the next day my wife and her went out to the thrift stores and started going buying her new school uniforms from thrift stores. So she now has made a decision that not only will she think about what she eats, but she's now gonna think about only wearing clothes that have been worn before. Okay. Now, if you take the extension of that's a potential movement, but it also therefore has implications. When you think about the agenda of company creating clothes to Biden and sell new things. So there are, there are real substantive complications, long term to the scale at which this can change, but on an individual basis, they're the types of things that I think are important. I think the other thing that it leads to doing is, is it's helping, you know, individuals talk to their peers. One of the things I was asked to do this year, again at my daughter's school was teach a climate change session seminar to a bunch of middle schoolers.

**Robert Casamento** (42m 19s):

And I was shocked. I mean, it was a six week course. We started off by asking them, what do you think the challenges are with climate change and they shared, you know, the flies and all the typical topics. The second session we talked about, what do you think we can do to solve climate change and these are middle schoolers, 10, 11, 12 year old children who talk about, you know, let's just build a shield around the, the earth was very much, you know, Avengers type talk. Let's just build renewables. Let's turn off the taps to fossil fuels. Let's do all these activities, some great ideas, some sci-fi ideas, some, you know, realistic ideas. But over the course of the next few weeks, we started to talk about it in more realistic terms and we did this exercise where we said to the children, pick one item within the classroom here and do a value chain of the item.

**Robert Casamento** (43m 06s):

So they picked a chair. For example, they picked a table, they picked the a monitor and you know, on the chair for example said, okay, the chair has a metal legs. Okay. Metal must come from mining. Therefore you've got to mine the metal and then you've to turn them the minerals into some form of, you know, manufacturing, and then you have got to transport it. Oh, by the way, there's plastic on the chair. So where do plastics come from? Plastic must come from petrochemicals oil and gas. You've got to get it out the ground. You go to convert it. You go to transport it, et cetera. So they went through this and these are 10, 11, 12 year old children who have no concept of lifecycle analysis, never done a analysis of carbon footprint in their life and they came up with this value chain for these three items of, you know, school that they see and touch and feel and interact with every day.

**Robert Casamento** (43m 54s):

And they came up with statistics and I said, okay, now that you've done the life cycle, how much emissions do you think are associated with each step of the way and they said, you know what. We think to get it out of the ground to make it it's probably 55% and you know, to get it from, you know, the factory to the school, they've go to transport it on ships and maybe on a plane that's maybe 10% and then we're gonna use it because we are gonna use electricity. When we turn on the lights, that's maybe, you know, 8% and then we're gonna get rid of it eventually and that's probably gonna be whatever the number is, the math isn't adding up, but you get the point right now as it happened that day during.

**Robert Casamento** (44m 50s):

During that class, I had to jump out for a client call. So I jumped out for a client call and that client happened to be one of the world's largest manufacturers, distributors, and sellers of furniture in the world. Okay. So I took the opportunity at the end of that call to say, Hey, by the way, just as a favor, what's the emissions footprint of a chair that you make happens to be the same manufacturer of chair that was in the classroom. So I go back in with the sheet of paper and I say to the, the, the kids, I'm like, by the way, I actually have the answer and you can imagine all the wows and the wide eyes, which is like, this is so cool. So what's the answer and I'll tell you this, in truth, the kids said 55%, the answer was 53%.

**Robert Casamento** (45m 25s):

The kids said 10%. The answer was 8%. The kids said, you know, 12%, the answer was 15%. They were in a margin of error that economists would say, that's fine. They had no formal training whatsoever. So what did it show me. It showed me that individuals can trust their instinct, right. We instinctively know when we look at the world around us and we interact with it, what we should be thinking about and doing to make the right choices. Now, what did that conclusion say. For the first session we had, where we were talking about building shields around the earth, one kid said, let's blow up the sun and another kid said, no, let's wait the 5 billion years before that's going to happen to us anyway, right. We went from that conversation to a conversation where the light bulb went off and the answer collectively was okay.

**Robert Casamento** (46m 07s):

If you think in the immediate short term, what is the thing that you, as an individual can do best to help solve for climate change, acknowledging we've got all these other things we still need to do, and people are working on it. The finance policy, the technology, the renewable transformation, et cetera, the overwhelming conclusion was right now buy less new stuff. These 11, 12, you know, 10, 11, 12 year olds coming to that conclusion, right. So I think you've got to trust, your instincts. You've got to, you know, understand what these legitimate pathways and, you know, net zero will be like across the different activities you are in every day and then I think the final thing that we did in that class, which again, gets back to the start of this conversation is we still ended up at the end of that session of saying, well, what do we do now.

**Robert Casamento** (47m 01s):

And the reality is what I shared with them was what do you think would be the best action we could take now and after all this session, and I didn't talk about communication, I didn't talk about storytelling. The kids voted on the number one action they could do to affect change and it wasn't voting, which I would've thought in the United States was, you know, the answer and it wasn't, you know, by a Tesla and it wasn't put pressure on mom and dad to put solar panels on the roof you know, what the number one voted answer for action was they all concluded. Let's tell stories and let's write a story about how we feel, what are the things we are seeing around us so that we can then through those stories, talk to our peers and share with others what we are learning so that they can also learn and we can collectively move forward with, you know, what to do together, which really opened my eyes again, 10, 11, 12 year old kids with no formal training you know, I would love to put them at the cop in Egypt, in, in a few weeks' time and, and then in the UAE, you know, I generally think the next generation can tell us a thing or two about how we need to move forward.

**David Greely** (48m 03s):

Yeah, definitely seems like we need to keep talking. We need to keep listening and we need to keep those conversations going with our peers until we, we get past the science fiction to science fact and things that we can do to move forward it's a great story. So you've emphasized the importance of storytelling. Thanks for sharing a great one with us. I'd love to keep this conversation going, but I think I've used a lot of your time and we'll have to have you back in the future. I hope you, you want to come again, but before I let you go, you know, this is our Smarter Market, summer playlist, our beach reading, and a podcast and in that spirit, I'm asking every guest we have on what is their own personal beach reading list for this summer. So I'm curious, you know, what are you reading this summer, Robert?

**Robert Casamento** (48m 50s):

Yeah and again, it's a great question and I'd be remiss of me to be on this podcast for the last, you know, hour or so, and talk about different thinking and system change. If I was to actually give you the names of a couple of books that wouldn't be consistent with the narrative, but in all honesty, I did try to read a book this summer. I was recommended by a colleague to read the ministry of The Future by Kim Stanley Robinson and to be honest, it was a little bit too close to heart. I got through the first few chapters and then I had to put it down and you know, I read so much for work and on interesting topics that, you know, my true passion and my true summer playlist is actually music and I've actually played the drum since I was 10 years old.

**Robert Casamento** (49m 30s):

And so for the last few weeks, you know, rather than sitting down reading a book, I've been sitting at a drum kit, learning the tracks to the new red hot chili peppers album. And if anyone wants a good song on that album, aquatic mouth dance is very great. And then also my wife put me into this UK man called Royal blood that, you know, has a really awesome drum beat. So that's how I relax. I sit down on a drum kit for a few hours, put on the headphones, play the drums. So that's what I listen to for the summer and I play and that helps me relax. Now my wife and kids would argue the complete opposite. It's definitely not relaxing for them to have their dad bagging out the drums for a couple of hours. But yeah, so I would encourage, you know, for summer reading to listen to a good album, it could help you just as much as listening and reading at a good book.

**David Greely** (50m 15s):

Sounds terrific. Thanks a lot, Robert really appreciate you making the time to be with us today and hope to talk with you again soon.

**Robert Casamento** (50m 22s):

Thanks very much, Dave.

**David Greely** (50m 26s):

Thanks again to Robert Casamento, Global Climate Chair at Edelman. We hope you enjoyed the episode. This wraps up our summer playlist for 2022. Thank you for listening. Join us next week for our new series. When markets break on Smarter Markets. In this series, we'll revisit past market crises with people who were there to understand what went wrong and what we can learn from it.

**Announcer** (50m 47s):

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**Announcer** (51m 23s):

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