

# Future Coal Direction FY 2023-2025

May 2023

## Executive Summary

- 'Future Coal' was coined by the WCA Chief Executive's presentation to the WCA76 Board in May 2022, where she outlined what she believed to be the industry's current journeys and the opportunity for it to seize the moment to 'thrive' and not just survive.
- In November 2022, the Future Coal Direction (Direction) was developed and sought to expand on those journeys where, we highlighted to the WCA77 Board three headline recommendations that form this report's foundation and will be addressed throughout.

The **Recommendations** are as follows:

1. That *Evolving Coal 2023-2025* Work Programme adopts the Future Coal narrative.
  2. That Future Coal **Demonstration** is defined as "Abated Coal Stewardship" - a phrase used to encompass all coal abatement technologies and processes across the value chain; and
  3. That Future Coal **Differentiation** is initiated through an RMP Phase 2 rebrand campaign of the World Coal Association, which visibly breaks from any long-held legacy issues.
- The WCA77 Board agreed, in principle, with the proposed Direction and for further work to be undertaken to ensure that both the Demonstration and Differentiation components were elaborated on and progressed.
  - This paper provides a summary of the progress made in the Direction's amalgamated activities which will be presented to the WCA78 Board Meeting in Singapore on May 17, 2023.

Specifically, it will highlight and seek feedback and endorsement of the:

- Refined definition and presentation of Abated Coal Stewardship; and
- RMP Phase 2 rebrand concepts of which it is envisaged that one option will be selected and recommended by the Board to be finalised as the WCA's new identity.

## Introduction

- Among the Global North, the WCA and its members find themselves in an energy conversation committed to phasing out coal. That conversation is permeating government policy in the developing and developed Global South. Even in an energy crisis, it perceives the use of coal as a threat to the climate rather than a valuable contributor to the energy ecosystem. Amongst Asian governments, the coal phase-out has been advocated, and in some quarters, it has been endorsed with coercion from Western governments. The Asian Development Bank and many other multilateral development banks have eschewed investments in coal, even clean coal technology.
- Further, the total contribution of this critical resource is little understood beyond coal power. Whether it's steel, cement, aluminium, critical minerals, fertilisers and a raft of other key products and industries facilitated by the existence of coal, including renewables, the industry has suffered a brand crisis which has rippled adversely throughout the industry and our global community producing a misinformed set of stakeholders.
- The WCA faces a stigma associated with its past, but under the *Evolving Coal Strategy 2020-25*, the WCA is now well positioned to differentiate itself from its latter 20<sup>th</sup> Century image; a past dominated by the Global North's profligate consumption of energy and the widening gap between the rich and poor worldwide.
- We approach the third decade of the 21st Century with a growing awareness of climate and an anti-fossil fuel sentiment, both of which are imposed on the world's poorest, most economically and socially vulnerable regions. In addition, the world is witnessing a change of guard with economic power shifting away from OECD countries and towards non-OECD Asia and Africa.
- There now exists because of a raft of events, a growing reality that all is not what it seems. This reality is a dawning that will not happen quickly as there is much-vested interest to continue to espouse a sentiment that appears to emanate from righteous emotion and an edited selection of convenient facts which only tell part of a story. It is also a story chapter that has not sought to understand its key and biggest affected audience – those of the developing and emerging nations.
- This 'reality transition in train', we believe, provides the timely and relevant opportunity for the **Future Coal Direction** to emerge and be implemented with its full intention. In short, this is the opportunity for our industry to take back and lead its narrative.

Before discussing the Direction's progress, it is worth outlining the WCA's role and position in the global energy conversation, which guides our Strategy and rebranding efforts.

The WCA Vision and Goals are presented in a backdrop of being uniquely positioned as a lone agent representing its members across a large global energy landscape. In a simple assessment to examine our strengths, weaknesses, opportunities, and threats (SWOT), the WCA can demonstrate agility to adapt to the current energy conversation, which guides its rebranded mission as follows:

- **Enhance the strength** of the rebranded WCA as a leading independent think tank for coal innovation and energy security. It has support from members from every continent and a good, rapidly rising following on social media, e.g., LinkedIn.
- **Reduce the weakness** attributed to the silent or quiet voice of the coal value chain in the energy conversation by generating active participation in abated coal investments. We will showcase our members' ESG efforts and encourage them a proactive approach to demonstrating WCA Responsible Coal Principles and monitor and showcase positive progress towards ESG and climate objectives of their national governments. The WCA aims to achieve a more global presence by carefully engaging with non-members in Asia. It needs to be acknowledged that engagement with China and Indonesia, as prominent centres for the global coal industry, will take time and effort.
- **Identify and realise opportunities** by identifying weaknesses and gaps in RCP and assisting those members requiring assistance to remedy any shortfalls so they can reach world-class ESG standards. A rebranded WCA and its alliance of members will aim to become more resilient to current and future market challenges by setting out sustainability and climate pledges that are cognisant of their current economic and operational circumstances.
- **Prepare for threats** where lacklustre international support for clean technology solutions and CCS impedes decarbonisation efforts in the fossil fuel sector. For example, the Just Transition is seen by many stakeholders as an inevitable programme of dismantling coal communities by the Global North, with piecemeal rebuilding using disjointed attempts at (unproven) regeneration. Thus, the powerful economic influence of the wealthy Global North is steering middle-income Asian economies such as Vietnam, Indonesia, and Southern African nations to adopt pledges to phase-out coal power with the enticement of financial assistance for renewables, so new markets would need to be realised. Our advocacy efforts continue highlighting this and using data where members feel the threat of long-term decline.

## Aims and objectives

- The Secretariat continues to inform and guide the WCA rebranding strategy to ensure Future Coal (sustainability, innovation, development, modernisation and ESG) is a credible direction which becomes the core themes/messages of a rebranded image, and a call to action of the key stakeholders - not just representative of mining and acting as a lobby group.
- To create the industry's representative body that demonstrates a strong ethic towards investing in and practising Responsible Coal Principles (RCP), a vital component of Future Coal Stewardship that will differentiate itself from the coal industry of the past.
- Become a respected voice in the energy and beyond the energy conversation to garner understanding of the total contribution of coal to many critical industries and inquisitive and positive interest, influence, and reportage in abated coal technology discussions on the international stage.
- Promote constructive dialogue between members, thus demonstrating value to new members, underpinning further business development and deeper member engagement across the coal value chain.
- Promote more discussion at the Ministerial level and among the finance, investment and insurance community and international organisations, including policymakers, guiding them to become more technologically agnostic and concede a 'clean energy' role for zero-emissions coal, which is currently excluded in the Global North. But to also look beyond energy and across the coal value chain to the many opportunities which exist to abate coal and make deeper contributions to society through innovative sustainability practices.
- Seek wider membership opportunities across the value chain as well as deeper engagement with MOU partners, noting that the business development and strategy teams have been expanded to achieve this.
- New members acting alone in their jurisdictions may feel powerless in the energy and beyond energy discussions with their ministries, provincial governments, international organisations (such as the IEA) and NGOs. However, the rebranded Future Coal Direction will seek out these players to redress any imbalance and bias in such conversation and create an alliance with emerging and existing members under the principles of inclusiveness.

## Future Coal: The New Proposition

- As we approach the halfway mark for the year, Recommendations 1 and 2 (refer Executive Summary) remain ongoing activities where we continue to advocate our vision for Future Coal among all stakeholders and new member prospects as part of the RMP.
- The WCA is a unique voice whose philosophy and accent believe there is a way to counter the coal phase-out mindset which has beset the global energy conversation at the highest political level in the Global North. However, there needs to be a visible break from the past and a behaviour model which delivers credible demonstration.
- The WCA research and messaging will resist drastic changes and seek a path of Abated Coal Stewardship which represents all coal participants' and demonstrates a realistic pathway to support and invest in a coal value chain underpinned by the Responsible Coal Principles, abated coal innovation, from coal production to consumption, the vision of Future Coal.
- The Direction continues to depend on robust research, evidence, and data gathering to support every stage to showcase coal innovation. This approach is intended to disarm and deflect the narrative of 'phasing out coal' towards a Future Coal-based 'phasing-in' of advanced coal solutions and reducing technological and attitudinal barriers against coal. Our increasing number of speaker invitations to high-level international events and our collaboration with MOU partners further demonstrate this. The ASEAN Centre for Energy (ACE) in comparing the total system cost of electricity (VALCOE).
- Following on, Recommendation 2 stated that the Future Coal Demonstration was to continue to be defined as "Abated Coal Stewardship". This has not altered; the term has served as an overarching term to encompass the practice of RCP, advanced coal technology innovation in a broader coal ecosystem, and provides further scope to expand the definition beyond what we see in see Figures 1 and 2 (below) if the need so arises.
- Those with prior knowledge of the energy sector will be comfortable with this term, meaning a value chain with minimal environmental impact while extracting maximum value. The WCA is exploring other interpretations and alternatives to "Abated Coal Stewardship", whereby the rebrand may help guide us. Whatever terminology we land on must not diminish the value of what "Abated Coal Stewardship" stands for.
- The Abated Coal Maps and scope of Abated Coal Stewardship (see Figures 1 and 2), continue to be finessed which set the intellectual groundwork for the Direction and part of our RMP.

## Demonstrating Abated Coal Stewardship

- *Demonstration* was a key theme of the *Evolving Coal Strategy* and also the Future Coal Direction.
- The world business economy is increasingly being viewed through a lens of Environmental and Social Governance, ESG. The Responsible Coal Principles (RCP) continue to be the WCA's tether to UN Sustainable Development Goals (SDGs); RCPs themselves remain unchanged but will lend themselves to allow WCA to showcase Member demonstration of ESG called RCP in Action (working title).
- RCP in Action will promote member efforts in the key areas of environmental and climate protection, employee welfare and safety, a positive contribution to the local community and economy, and so on. Moving forward, the WCA will seek advice and inspiration from members to formalise RCP in Action (similar to the World Steel Association's Step-Up campaign).
- RCP in Action will inspire and encourage collaboration among our members in this learning process to drive forward stewardship in all its forms. The WCA wants to track, commend and showcase these globally via our vast audience on social media platforms.

## Staff additions to Strategy, Sustainability and Government Engagement

- Adding two new analysts has strengthened the Strategy Secretariat; Mr Brendan Jenniker joins as the International Government Engagement Officer, and Mr Shyam Pallav as the International Policy Analyst. Together with the Director of Strategy and Sustainability, the new team reinforces the WCA's internal capabilities to carry out think tank-style research under the sole WCA brand. For example, we produced original abated coal research comparing the economics of CO<sub>2</sub> reduction from HELE coal upgrades with selected renewable power. The draft is close to completion and will be published in due course with support from our MOU partners.
- Government Engagement in late 2022 meant this part of the work programme was paused, but the Secretariats responsible for organising the Future Coal Leaders Forum, Singapore took advantage of the opportunity to use the event as a vehicle to reach out to Ministers across Asia.
- The recent staff appointments mean we can strengthen efforts to a specific campaign solely aimed at connecting with senior-level persons in Ministries, state energy departments, and think tanks. Simultaneously, the Strategy and Sustainability and Business Development

Secretariats can continue to pursue prospects and the creation of a new stakeholder network in the financial and insurance sectors with the expanded team.

- So far, we have discussed the ongoing direction and vision of Future Coal, to create a new energy conversation, to be a thought leader, to drive the coal value chain in a new era of change, and to reach out to a broader audience. The remainder of this report will discuss how Future Coal will inspire a rebrand of WCA and to include a reimagined vision and purpose.



## Stewardship takes several forms including Abatement

## But embraces the SDGs

### A Extraction

- ❖ Dust and Water Management
- ❖ Management of Surface Subsidence
- ❖ Land Disturbance and Rehabilitation
- ❖ Methane Management
- ❖ Green Power procurement or onsite generation
- ❖ Electric Haulage Vehicles
- ❖ Coal Fines Recovery and Remediation of coal mining tailing



### B Combustion

- ❖ HELE
- ❖ CCS/CCUS
- ❖ Coal Gasification
- ❖ Coal Biomass Co-Combustion
- ❖ Pollution Control Technology
- ❖ Waste reuse – fly ash in cement, CO<sub>2</sub>,

### C Advanced applications

- ❖ Coal to Hydrogen
- ❖ Coal to Fertilisers
- ❖ Coal to chemicals
- ❖ Coal to polymers
- ❖ Coal to pitch carbon fibre and foam
- ❖ Extraction of Rare Earth Materials



### D Strategic value of coal

- ❖ Poverty eradication
- ❖ Community through projects
- ❖ Community through Employment
- ❖ Health
- ❖ Training and Education
- ❖ Support domestic business and enterprise
- ❖ Tax and royalties to local and regional government
- ❖ Export foreign currency

Figure 1 Abated Coal Stewardship and SDGs

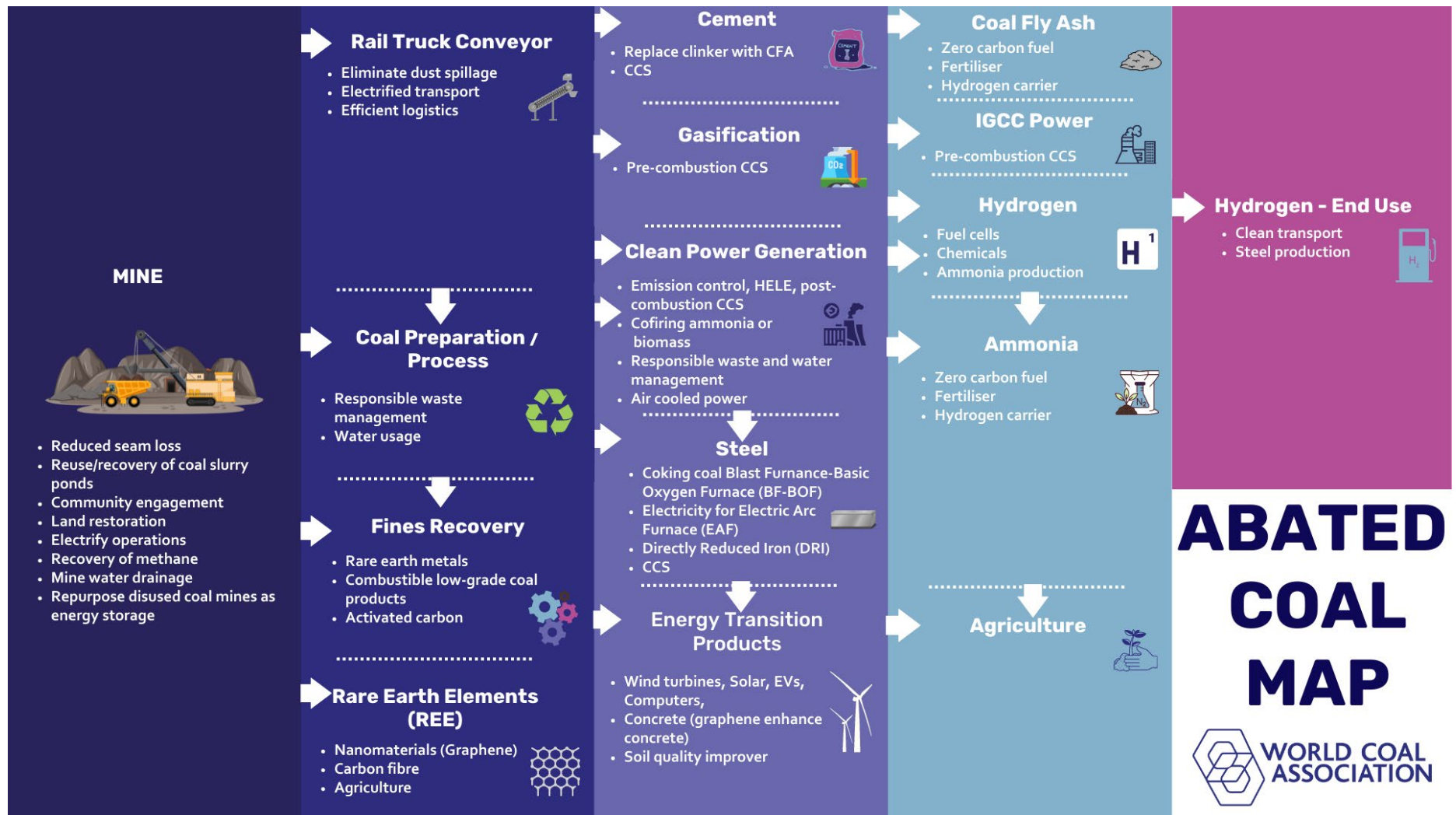


Figure 2 The Abated coal Map (working title) illustrating the coal ecosystem from mine to end user.

## Executing the RMP Phase 2 - Rebrand

- This Rebrand Plan supports the rebranding of the WCA to Future Coal under the mantle of “Abated Coal Stewardship”, which will support a brand refresh and a new brand identity.
- The term Future Coal has been endorsed by the WCA Board as a name which best reflects coal’s long-term abated and sustainable future under an alliance of responsible and innovative participants.
- The Association adopted the “Abated Coal Stewardship” expression to define: “The responsible and reputable management of coal towards zero-impact outcomes.”
- It provides a checklist of new activities against a 2023 timeline for the approval of the Branding Agency at the WCA78 Board Meeting in Singapore.
- The rebrand will leverage the dramatic change in energy politics over the past year and how this has refocused attention on coal as a secure, sustainable, and abated energy provider.
- The Plan acknowledges that it is not enough to simply “rebrand” coal and call it by another name. Any rebrand must be supported by an “epic” underlying storyline which speaks to coal’s wide-ranging attributes and total contribution as well as demonstrates the coal industry’s commitment to a “new coal age” that will reinforce the RCP.
- Where previous plans have targeted “building a new IQ” through Tier one media-led outreach, this Plan identifies “enhanced IQ” activities aimed at conscripting a new powerbase of key influencers and stakeholders who will speak in coal’s support. With an increased focus on more specific tiers of stakeholder engagement, this could be interpreted as “Building a Higher Coal IQ”.

## Brand Agency Requirements

- With the background provided, the WCA believes the case is made, and the time is right to unveil a new and dynamic brand identity.
- To that end, the WCA has commissioned Mumbai-based global brand agency *chlorophyll* to assist in a full rebrand.
- *chlorophyll* is a 24-year brand pioneer and the only significant independent Indian-born & bred brand consultancy with its own patented models and processes.

- Specifically, the agency has provided the following:
  - Strong evidence of brand-related work in the energy/environmental sector.
  - Recommendations regarding a new name for the WCA, noting that both existing as well as Prospective Members support the term “Future Coal”.
  - Three brand concepts to review, two relating to the phrase Future Coal and one which considers a new name, Coal Next. 101
  - Recommendations regarding all other brand identity nomenclature (taglines, catchphrases, etc.).

## Timeline



- The WCA and *chlorophyll* pitch video [“Rebrand Concept Video”](#) is provided as a pre-reading material for the WCA78 Board on 17 May 2023 in Singapore.
- This video explains the background to this work and introduces *chlorophyll* and the three key concepts they have developed, as endorsed by the Chairman and Secretariat, to take us forward.

- These concepts will be presented to the Board for consideration and ratification.
- chlorophyll will be available to answer questions on the brand concepts.
- Once endorsed, the agency will be given three months to refine its concept development and final recommendations.
- Given the limited scope and clarity provided to agencies, we do not believe this is an extensive piece of work; however, it remains politically sensitive due to a strong and vociferous anti-coal lobby.
- For this reason, the chosen agency has proven that it has no impediments to working with a fossil fuel NGO.
- Similarly, the WCA does not want the rebrand to be perceived by stakeholders as an expensive piece of commissioned “greenwash.”
- Some media sensing of the phrase “Future Coal” has been made in media/social media reportage from November 2022-March 2023, with no backlash.
- The rebrand will be supported through a communications campaign which contains the following elements.

### **The Core Pillars**

The core pillars of this campaign are:

- Stakeholder engagement – notably with key governments (India, South Africa, China, USA), industry (steel/concrete/aluminium), and policy makers including finance, investment and insurance.
- Technological knowledge-sharing – of all abated coal solutions (pollution and emission control, value-added enhancements).
- Sustainable Development demonstration – by WCA Members.
- Conference participation (keynote only)
- Country Roadshows (USA and China)
- Media Outreach (mainstream, specialist, digital)

## **Headline Action Plan**

This will be achieved by undertaking the following activities:

- (Soft) auditing of member abatement and sustainable development actions for use in content.
- Prescriptive identification of key stakeholders by region to target in 2023, in line with Roadshows and Key Events.
- Completion of abatement mapping (identifying all abatement permutations and subsequent wave applications).
- Drafting of a supportive rebrand/abatement suite of communications which addresses Future Coal and Abated Coal Stewardship in its entirety (messages/Q&A's/themes, ready reactive material).
- Securing ongoing endorsement of the Campaign Plan through the Board and sub-committees (PECo and BCCo).

## **Socialisation / Launch of the New Brand Named**

The timeline will include the efforts from Director Global Communications and Digital Communications Lead as the primary spearheads. In most circumstances, circulation among the Strategy and Business Development secretariats will be carried out before the Chief Executive's approval throughout each milestone. Support from the Executive Administrator and Business Development support team will also be sought when necessary.

The critical phases of the Plan are the following:

- search and approval of the Branding agency and the;
- socialisation of the action points to the secretariat and the various member committees; and
- then finalisation by the Chief Executive for Board approval.

**Table 1 Key action plan and milestones for the rebranding mission from the agency**

TASK	ASSIGNED TO	PROGRESS	START	END
<b>Branding Project Milestones</b>				
Draft Briefing Document	AP	100%	06-Feb	01-Mar
Scope out agencies	CD/AP	100%	13-Feb	17-Feb
Send Agencies branding document	CD	100%	01-Mar	01-Mar
Meet with agencies	CD/AP/PB	100%	06-Mar	10-Mar
Agencies submit proposals	Agency	100%	10-Mar	22-Mar
Proposals reviewed and candidates shortlisted	AP/PB/MM	100%	22-Mar	24-Mar
Meet with shortlisted agencies	AP/PB/MM	100%	27-Mar	31-Mar
Select an agency	AP/MM	100%	03-Apr	03-Apr
BCCo Meeting	AP	100%	29-Mar	29-Mar
PECo Meeting	PB	100%	05-Apr	05-Apr
Agency to present concept to WCA	Agency	100%	07-Apr	17-Apr
WCA to present concept at Board	AP/PB/MM	0%	17-May	17-May

## Conclusions

This Plan forms the final stage in the WCA *Evolving Coal* Strategy and extends over 2023-2025.

It acknowledges that if the WCA does not move to reposition itself now, against a fast-changing tide of energy infractions, it is likely to lose the momentum it has and be unable to gain ground again.

The past three years have proven that through a positive and proactive narrative and through the enrolment of a new wave of innovative partners and members, the WCA can change perceptions about coal and make its future truly sustainable.

## Recommendations

The Board to endorse the Strategy along with its branding recommendation.