1. Climate risk and corporate disclosure obligations
2. Overseas developments: investigations and complaints of misleading disclosures by fossil fuel companies in the US
3. Prospects for actions against Australian companies
### 1A. Climate risk

<table>
<thead>
<tr>
<th>Physical</th>
<th>Non-Physical</th>
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<tbody>
<tr>
<td>• Acute Weather Events</td>
<td>• Legal/policy – compliance costs and liabilities</td>
</tr>
<tr>
<td>• Longer term changes to rainfall, temperature and other factors</td>
<td>• Technology – existing tech. investments written off, new investments &amp; operational changes</td>
</tr>
<tr>
<td></td>
<td>• Market/economic – viability of business model?</td>
</tr>
<tr>
<td></td>
<td>• Reputational</td>
</tr>
</tbody>
</table>

Leading to disruptions to operations, transportation, supply chains; damage to physical assets; and reduced resource availability. Leading to lost revenue, reduced value of operating assets and investments, 'stranded' assets, reduced Co. value.

### What must companies disclose?

• Key requirements:
  - Annual report disclosures
    - directors’ report – s 399A(1)
    - financial statements (role of auditors)
  - Directors duties: s 180 CL

• Key issues: materiality and foreseeability of risk
  - Unlike US no specific regulatory guidance on climate risk disclosure
2. Overseas developments

Peabody Coal

Exxon Mobil


3A. Australian companies and climate risk disclosure

• Highly variable reporting practices of Australian companies on climate risk

• Legal opinion for CPD and Future Business Council provided by Noel Hutley QC – litigation against director for non-disclosure of foreseeable climate risk ‘only a matter of time’
3B. Lawsuits against Aus companies?

- Possible but not high likelihood currently
- Business culture and climate regulatory landscape rapidly shifting
- Proper disclosure of climate risk will reduce potential liability; ‘little downside and much potential upside’: Noel Hutley QC

http://www.cdsb.net/blog/policy/382/what-next-climate-change-policy

Questions?

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