

Climate Alliance Newsletter

November 22, 2016



The week that was!

Dr Paul Fisher made a whirlwind visit to Melbourne and Sydney in October and influenced many. We were very pleased with the level of interest in the topic of investment risks that result from climate change. In the photo above he is speaking at a round table event organised by the Future Business Council. One of many speaking engagements during his three days in Melbourne.

His key message was that it matters not whether investors accept that climate change is real - they only need to believe that Governments will change their policies. With the Paris Accord

being ratified on November 3rd, that appears certain. Australia [ratified](#) its participation on 10 November 2016.

On a number of occasions during Dr Fisher's visit, executives raised the issue of directors' fiduciary duties in light of this risk. The Centre for Policy Development commissioned a very important [legal opinion](#) on this topic. The upshot of the paper is that directors have little option but to treat this risk in the same manner as any other business risk. Climate Alliance has been promoting this approach since 2009.

MC Rob Gell with Sarah Barker (Minter Ellison) and Paul Fisher at the Melbourne National Conference.

In addition to investment risk and directors' fiduciary duties, executives also touched on the topic of the ethics of this issue and in particular, the question was raised about the intergenerational equity of business decisions being made today.

Divestment as a means of managing the risk came up on a number of occasions. A number of people stated that they felt it was preferable for the investor to not sell their shares, so that they could influence the direction of the company through voting at AGM's. This is a reasonable approach for the investor that deals with their own shares, but not for a stockbroker or investor acting on behalf of others. Investor managers have a duty to act in the best interests of their clients. (See [Corporations Act S961B](#)). If the investor advisor has an opinion on climate change, it is inappropriate they use their clients' funds to express that view.

Please see [here](#) for more details of Dr Fisher's visit and the extensive media coverage he received.



Climate Alliance 2016 Leadership Award winners

With the generous support of our sponsors Ashurst, AGL and Karstens we were able to identify and recognise important leaders in our business community in 2016.

- The Board Leadership award was won by GreenSync – a Board with strong credentials in both the traditional energy supply and emerging energy management arenas.

- The Business Leader award was won by two notable and energetic business executives – Dr Martijn Wilder of Baker & McKenzie and Mr Andrew Vesey, CEO of AGL.
- The Innovator award was won by Teachers Mutual Bank for ethical banking and anticipating the needs of their customers.

See [here](#) for more details on the Leadership Awards.



From left to right: Turlough Guerin (Chair of the Climate Alliance Board of Advisors), Martijn Wilder, Hendrik Karsten, Corin Millais (Teachers Mutual Bank) and Rebecca Dixon (Ashurst).

The year ahead

The success of Dr Fisher's visit to Australia has set the bar very high for 2017! The ramifications of the Paris Accord will continue to play out over the coming year. We believe that investment risk will become increasingly important for investment managers. APRA and ASIC may become more concerned about this issue - in the same way as the Bank of England. The role of directors and their duties to their shareholders will become increasingly important. We hope the AICD and the Governance Institute will tackle this issue more actively in 2017.



Next year we are planning to run a conference on the topic of business resilience near the sea. Sea level rise and storm surge has already impacted many parts of the world and we will address the risk for Australian businesses. We will draw on the knowledge and strategies being pursued in other parts of the world. We aim to assist Australian businesses and Governments make better informed decisions when it comes to locating businesses near the sea. We will particularly consider the difficult dilemmas faced by local governments when releasing land for new construction. Stay tuned!

Climate Alliance Launches New Website

This year saw the launch of our completely revamped website at www.climatealliance.org.au. The website was developed by Laura Coutts of [Hatch Labs](#). There are many interesting articles under our Blog section, including hot topics such as Energy, Fiduciary Duties and Stranded Assets.

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About Climate Alliance

Climate Alliance is a not-for-profit, membership based company that collects and disseminates information on climate change. Our primary focus is to provide independent, business-oriented information to Company Directors, to help them inform themselves about the opportunities and risks resulting from climate change. We do not consult, lobby or develop policy.