

The word "GREENPEACE" is written in a white, bold, sans-serif font. The letters are slightly irregular, giving it a hand-drawn or stencil-like appearance. The text is positioned in the upper right quadrant of the slide. In the background, there are several thin, white, curved lines that sweep across the slide from left to right, creating a sense of motion or energy. The overall background is a solid, vibrant green color.

**GREENPEACE**

# **Getting real: the need for corporate climate disclosure**

Keith Stewart

Greenpeace Canada

May 12, 2017

# From Wikileaks: Even super-smart policy wonks have trouble grasping scale of necessary changes

From John Podesta <[john.podesta@gmail.com](mailto:john.podesta@gmail.com)> ☆ ↩ Reply   ↩ Reply All   → Forward   More  
Subject **RE: Martin O'Malley: Zero out fossil fuels by 2050** 6/18/2015 6:21 P  
To Jake Sullivan <[jsullivan@hillaryclinton.com](mailto:jsullivan@hillaryclinton.com)> ☆  
Cc Brian Fallon <[bfallon@hillaryclinton.com](mailto:bfallon@hillaryclinton.com)> ☆, Josh Schwerin <[jschwerin@hillaryclinton.com](mailto:jschwerin@hillaryclinton.com)> ☆

Cc: Jake Sullivan; Brian Fallon  
Subject: Re: Fwd: Martin O'Malley: Zero out fossil fuels by 2050

OK we'll hold off

On Thu, Jun 18, 2015 at 5:00 PM, John Podesta <[john.podesta@gmail.com](mailto:john.podesta@gmail.com)> wrote:

We need the get to 80% emission reduction by 2050. Which implies close to a zero carbon energy sector.

On Jun 18, 2015 4:52 PM, "Josh Schwerin" <[jschwerin@hillaryclinton.com](mailto:jschwerin@hillaryclinton.com)> wrote:

Martin O'Malley published an op-ed this morning calling for 100% renewable energy by 2050. Tom Steyer has praised it as well as some other environmental types.

I don't know much about the issue but zeroing out fossil fuels in 35 years seems unrealistic. We're considering asking friends to pitch a smart enviro reporter or columnist on a story about how this may be well-intentioned but its not a serious proposal. Does that seem right to you?



## Why disclose climate risks

- 1. Remove the blinders:** Makes company management and investors think about these risks in a rigorous fashion.
- 2. Take it seriously:** Climate action goes from a 'nice thing to do' (CSR) to a core business competency.
- 3. Face the music:** Lying to the public might get you bad press, lying to shareholders might get you investigated for fraud.

# Suncor (largest oil sands producer in the world): No business case for new oil sands projects or pipelines in <math>2^{\circ}</math> C world

## SUNCOR SCENARIOS

### Autonomy



Rapid technological and societal change transform the energy landscape.

Millennial shift – focus on sustainability and collaboration, sustainable urbanization.

Falling costs and improved reliability of clean energy allow developing countries to bypass large scale hydrocarbon-based energy infrastructure.

Natural gas is a transitional fuel for power generation, but after 2030 increasingly renewable power generation fuels a largely electrified energy system.

Break through battery technology development supports growth in electric vehicles.

Oil's role in geo-politics is substantially diminished contributing to a generally stable geo-political environment.

Stable moderately strong economy.

Carbon intensive industries face high regulatory costs and requirements.

No new export pipelines are built out of the Athabasca Oil Sands region.

### Energy markets impact

Abundant and cost effective supply of energy coupled with moderation and eventual decline in demand, particularly in transportation, drives oil prices to stay low in the long term.

Oil exploration and production slows as investment moves to other sectors, reducing but not choking supply.

High cost supply falls off fast.

Oil is still required and continues to provide a significant share of the world's energy need.

### Expected Impact on Suncor

No existing assets are stranded.

Existing long-life assets continue to produce, funding their own sustaining capital or modest growth capital requirements for incremental production expansion.

New oil sands growth projects are challenged and unlikely to proceed.

Oil sands continues to provide a stable dividend base while growth options in other resource basins are considered.

Only the top tier refineries will remain profitable – Suncor's downstream maintains a focus on reliable, efficient and low-cost operations.



# Doing disclosure right

Corporate climate disclosure *can* be a tool for making us take a long, hard look at what needs to be done. It needs to be:

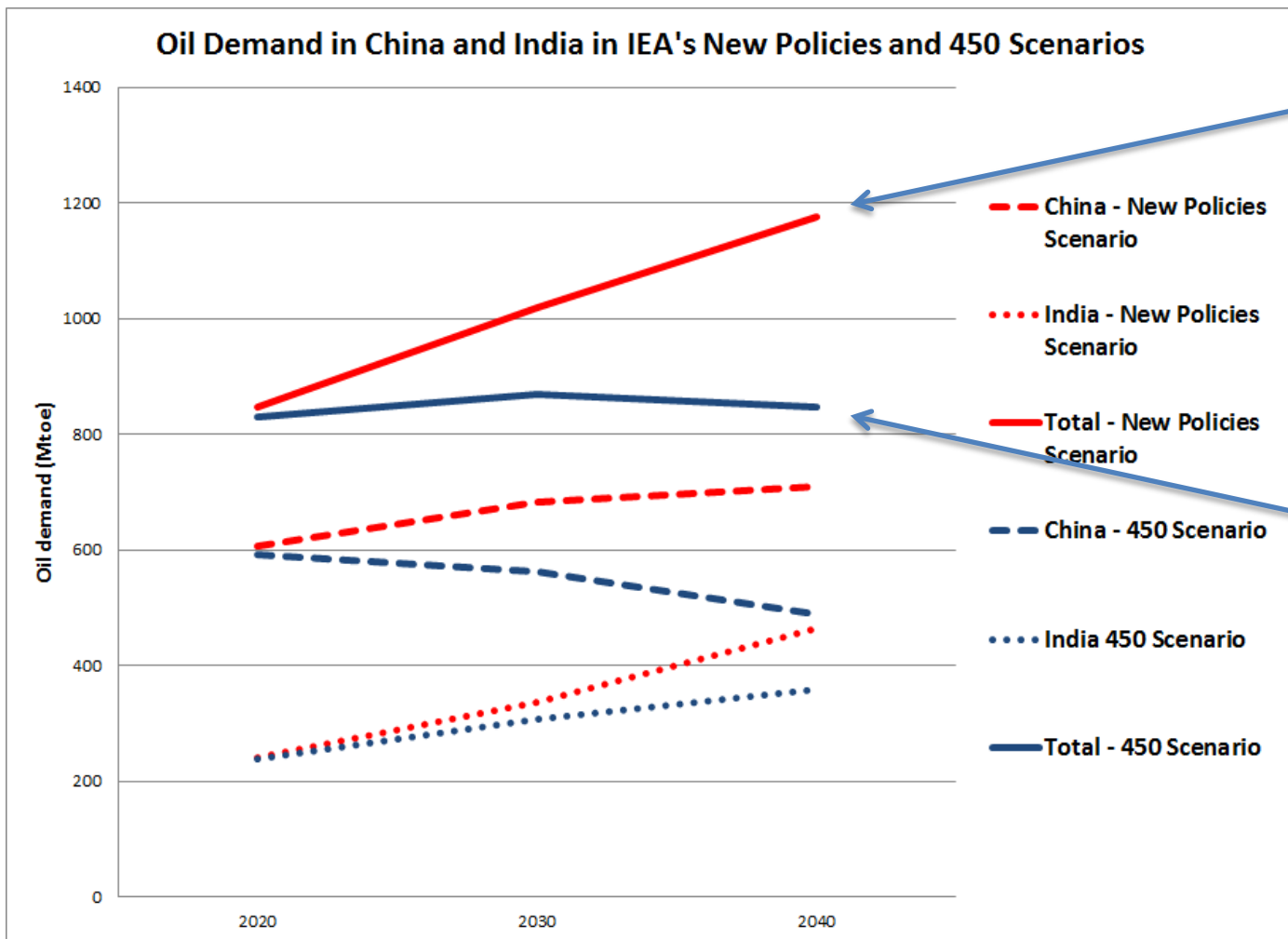
- **Mandatory**
  - Voluntary disclosure = uneven playing field
  - ‘Good’ actors who disclose risk may end up being punished.
- **Science-based**
  - Key question: is your business strategy consistent with keeping warming below 2 degrees?
- **Enforceable**
  - There is a history of companies funding climate denial to pre-empt policy action
  - Failure to properly disclose must have consequences.



## Example: Kinder Morgans most recent SEC filing

- “Studies *have suggested* that emissions of certain gases, commonly referred to as greenhouse gases, *may be contributing to* warming of the Earth’s atmosphere.” (Emphasis added.)
- “...some climatic models indicate that global warming is likely to result in rising sea levels, increased intensity of hurricanes and tropical storms, and increased frequency of extreme precipitation and flooding” but the timing and location of impacts is so uncertain that “we are not in a position to say whether the physical impacts of climate change pose a material risk to our business, financial position, results of operations or cash flows.”

# Prospectus for Kinder Morgan Canada IPO: we need pipeline to get oil to China and India to meet growing demand



Prospectus references 'no additional climate action' scenario

Ignores scenario with 50% chance of keeping warming below 2 degrees Celsius



## Preview: Greenpeace challenge of Kinder Morgan IPO with regulator

“In light of the deficiencies in the Prospectus as identified herein, we therefore ask that the Commission review the Company’s impending issue and consider halting their attempt at capital raising until such time that the Prospectus adequately discloses all material information to potential shareholders as per statutory requirement. This is critical as full, true, and plain disclosure of climate related business risks in the Prospectus is essential in order to protect investors in an IPO process, and to demonstrate responsive capital market regulation in the face of a globally significant market transition away from hydrocarbons.”



## Making this real: CSA review

- Canadian securities regulators are currently reviewing Financial Stability Board's Task Force on Climate-related Financial Disclosure recommendations.
- Please engage with this process to make it as strong as possible.