



# Climate Alliance Newsletter

*November 18, 2015*

## **The Big Guys are being called to account**

Over the last month, some amazing things have been happening. Two of the largest players in the fossil fuel industry have been found out. The largest car manufacturer in the world has cheated on emissions data. The largest tar sands oil producer suffers a major setback.

Exxon, Peabody and VW have been knowingly misrepresenting facts. The reputational damage to VW is impossible to estimate. The same fate may await Exxon and Peabody Coal.

The New York attorney general has begun an investigation of Exxon Mobil to determine whether the company lied to the public about the risks of climate change or to investors about how such risks might hurt

the oil business. Exxon Mobil's share price has almost dropped by \$10 since the announcement. With oil skirting \$40/Bbl, the outlook is grim. Click [here](#) for the full story.

Peabody's reputation may already be seriously damaged. Peabody's share price skirted \$1.00 back in August. In September, they had a 1 for 15 reverse stock split to get it off the floor and avoid being thrown off the main board in Wall Street.

"Peabody Energy, the world's biggest private sector coal company, has agreed to make more robust disclosures to its investors about the financial risks it faces from future government policies and regulations related to climate change and other environmental issues that could reduce demand for its product." See [here](#) for the full story.

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Another large emissions producer – Keystone – suffers a major setback. "This is huge," crowed one prominent environmental campaigner. He was celebrating Barack Obama's decision on November 6th to reject the Keystone XL pipeline, which would have carried heavy oil from Canadian tar sands to the United States (see map). To Canada's prime minister, Justin Trudeau, installed in office just two days before, the decision is both a headache and an opportunity. The full story can be found [here](#).

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Whilst on the investor side, Black Rock is the world's largest investment firm, with some \$4.5 trillion in assets under management. Needless to say, those trillions make Black Rock highly motivated to accurately assess the forces and trends at work in global markets; it doesn't have the luxury of ideological blinders.

“You may or may not believe man-made climate change is real or dismiss the science behind it. No matter. Climate change risk has arrived as an investment issue. Governments are setting targets to curb greenhouse gas emissions. This may pave the way for policy shifts that we could see ripple across industries. The resulting regulatory risks are becoming key drivers of investment returns.” Read more about it [here](#).

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Are things changing? Are the emitters being called to account? Will the COP21 conference in Paris make a difference? Let's keep our collective fingers crossed and hope for the best.

**Ben Scheltus**

CEO, Climate Alliance

**About Climate Alliance**

Climate Alliance Limited  
118 Queen Street  
Melbourne VIC 3000  
Australia  
Tel (03) 9605 4550  
[info@climatealliance.org.au](mailto:info@climatealliance.org.au)  
[www.climatealliance.org.au](http://www.climatealliance.org.au)

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