

Environmental Groups Warn Directors and Executives of Possible Personal Liability for Opposing Climate Change

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Greenpeace International, WWF International and the Center for International Environmental Law sent [letters](#) to executives and directors of 32 major oil, gas and energy [companies](#), warning them that they may ultimately face personal liability related to climate change issues.

According to the NGOs, the targeted companies are “working to defeat action on climate change and clean energy by funding climate denial and disseminating false or misleading information on climate risks.” Beyond this general yet inflammatory allegation, there are no specific examples or references cited other than a list of news stories and other publications about corporate influence and “lobbying” activities. The group [claims](#) that these companies face increasing risks of climate-related litigation arising from insufficient disclosures or as a result of major corporate losses, expenses or penalties. Derivative suits may follow with allegations of officers and directors’ mismanagement and ultimately create an evolving standard of fiduciary duty in the context of climate change. As a result, they warn that D&O insurers may not provide coverage for these kinds of lawsuits. The letter was also sent to 45 D&O insurers.

Responses to a list of questions, which will be made publicly available, are requested in four [weeks](#). The questions include whether officers and directors believe that they would be indemnified under the company’s D&O policy if accused of having “misled” consumers and investors or engaged in “disinformation” or campaigns to “obstruct, suppress or discredit” scientific information.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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