

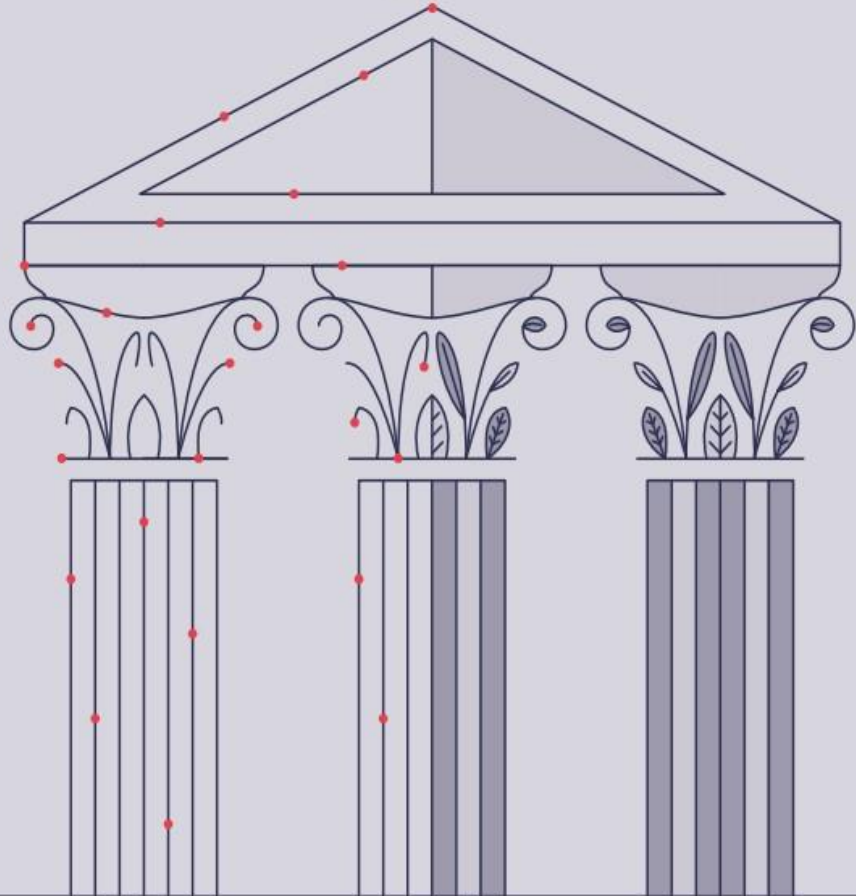
# Global trends in climate change litigation: 2023 snapshot

Dr Joana Setzer and Catherine Higham

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Feedback

### Global trends in climate change litigation: 2019 snapshot

Joana Setzer and Rebecca Byrnes  
Policy report  
July 2019

### Global trends in climate change litigation: 2020 snapshot

Joana Setzer and Rebecca Byrnes  
Policy report  
July 2020

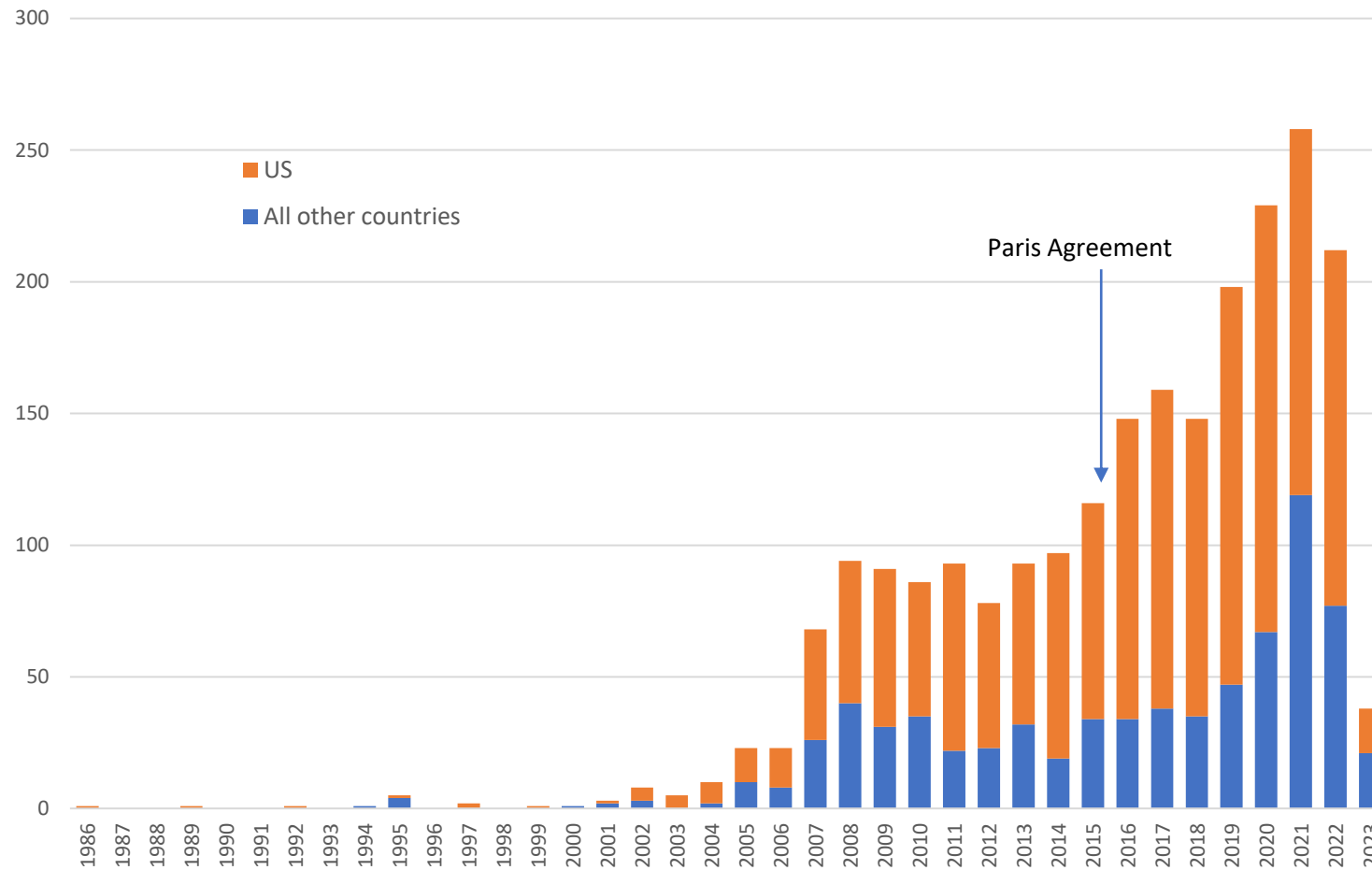
### Global trends in climate change litigation: 2021 snapshot

Joana Setzer and Catherine Higham  
Policy report  
July 2021

### Global trends in climate change litigation: 2022 snapshot

Joana Setzer and Catherine Higham  
Policy report  
June 2022

# Case numbers rising year on year

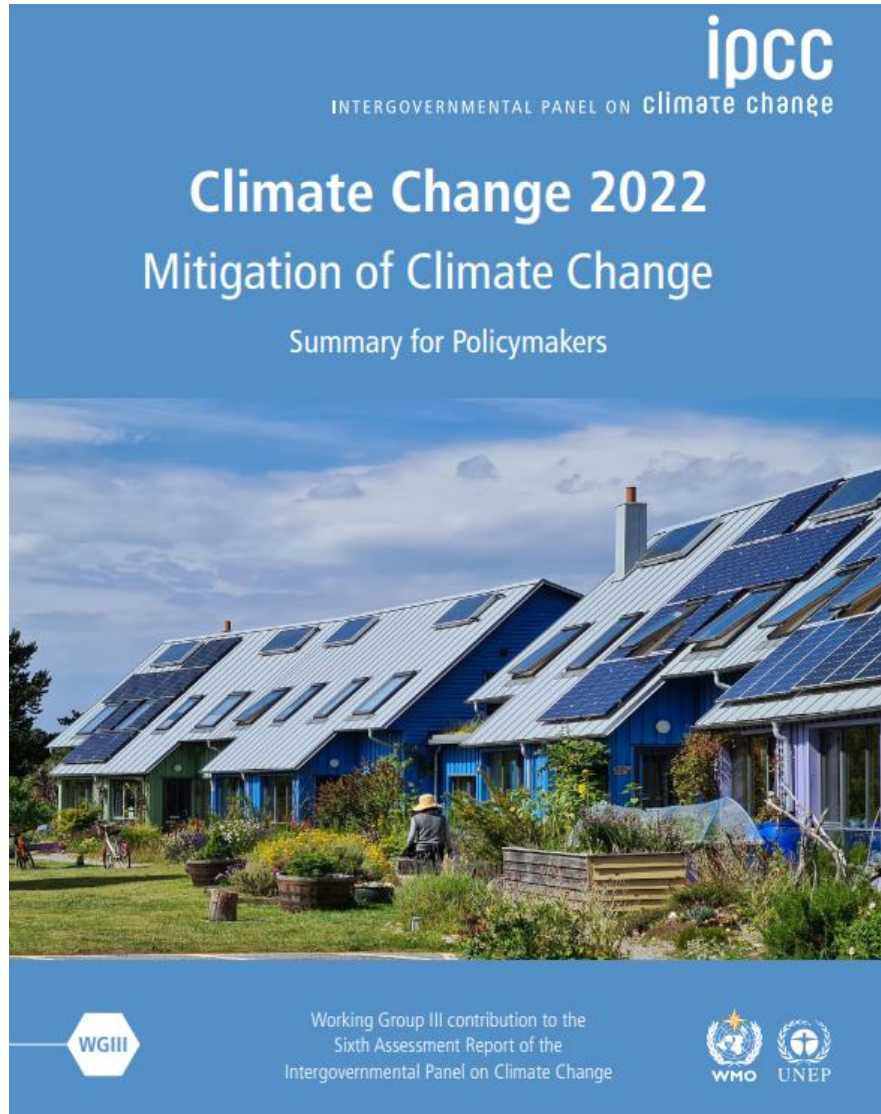


- Over 2,340 cases
  - 1,590 in the US
  - But also in 50+ other countries, with high density in Europe
- 2/3 since the Paris Agreement
- 190 cases in the last 12 months
- 2021 highest annual number of cases

Note: Up to end of May 2023, based on Sabin Center databases



# Climate litigation as a governance tool



APPROVED

Summary for Policymakers

IPCC AR6 WG III

*confidence*). In other situations, the enabling conditions can be put in place and yield results in a relatively short time frame, for example the provision of energy related information, advice and feedback to promote energy saving behaviour (*high confidence*). {4.4, 5.4, Figure 5.14, 5.6, 6.7, 9.9, 13.9, 14.5, 15.6, 16.3, 16.4, 16.5, Cross-Chapter Box 12 in Chapter 16}

**E.3 Climate governance, acting through laws, strategies and institutions, based on national circumstances, supports mitigation by providing frameworks through which diverse actors interact, and a basis for policy development and implementation (*medium confidence*).** Climate governance is most effective when it integrates across multiple policy domains, helps realise synergies and minimize trade-offs, and connects national and sub-national policy-making levels (*high confidence*). Effective and equitable climate governance builds on engagement with civil society actors, political actors, businesses, youth, labour, media, Indigenous Peoples and local communities (*medium confidence*). {5.4, 5.6, 8.5, 9.9, 13.2, 13.7, 13.9}

**E.3.1 Climate governance enables mitigation by providing an overall direction, setting targets, mainstreaming climate action across policy domains, enhancing regulatory certainty, creating specialised organisations and creating the context to mobilise finance (*medium confidence*).** These functions can be promoted by climate-relevant laws, which are growing in number, or climate strategies, among others, based on national and sub-national context (*medium confidence*). Framework laws set an overarching legal basis, either operating through a target and implementation approach, or a sectoral mainstreaming approach, or both, depending on national circumstance (*medium confidence*). Direct national and sub-national laws that explicitly target mitigation and indirect laws that impact emissions through mitigation related policy domains have both been shown to be relevant to mitigation outcomes (*medium confidence*). {13.2}

**E.3.2 Effective national climate institutions address coordination across sectors, scales and actors, build consensus for action among diverse interests, and inform strategy setting (*medium confidence*).** These functions are often accomplished through independent national expert bodies, and high-level coordinating bodies that transcend departmental mandates. Complementary sub-national institutions tailor mitigation actions to local context and enable experimentation but can be limited by inequities and resource and capacity constraints (*high confidence*). Effective governance requires adequate institutional capacity at all levels (*high confidence*). {4.4, 8.5, 9.9, 11.3, 11.5, 11.6, 13.2, 13.5, 13.7, 13.9}

**E.3.3 The extent to which civil society actors, political actors, businesses, youth, labour, media, Indigenous Peoples, and local communities are engaged influences political support for climate change mitigation and eventual policy outcomes. Structural factors of national circumstances and capabilities (e.g., economic and natural endowments, political systems and cultural factors and gender considerations) affect the breadth and depth of climate governance. Mitigation options that align with prevalent ideas, values and beliefs are more easily adopted and implemented. Climate-related litigation, for example by governments, private sector, civil society and individuals is growing, with a large number of cases in some developed countries, and with a much smaller number in some developing countries, and in some cases, has influenced the outcome and ambition of climate governance. (*medium confidence*)** {5.2, 5.4, 5.5, 5.6, 9.9, 13.3, 13.4}

SPM (E.3.3): Litigation affects “the outcome and ambition of climate governance”

And much more....

Chapters 1, 4, 13 (Section 13.4.2. Shaping climate governance through litigation), 14 and 16.

# Strategic cases increasing in numbers and diversity

## Climate-aligned

Government framework (80+)

Failure to adapt (14)

Corporate framework (17)

Polluter pays (17)

Integrating climate considerations (206)

Climate-washing (57)

Turning off the taps (28)

Personal responsibility (8)

Global guidance (4)

## Just transition cases

Distributional impacts of policies

Challenge JT policies

## Non-climate-aligned

Regulatory powers

Stranded assets

SLAPPs



# Government framework cases

- Implementation
- Ambition



Environmental activist Luisa Neubauer, one of the complainants, said the court's decision was 'a big win for the climate movement'. Photograph: David Young/AP

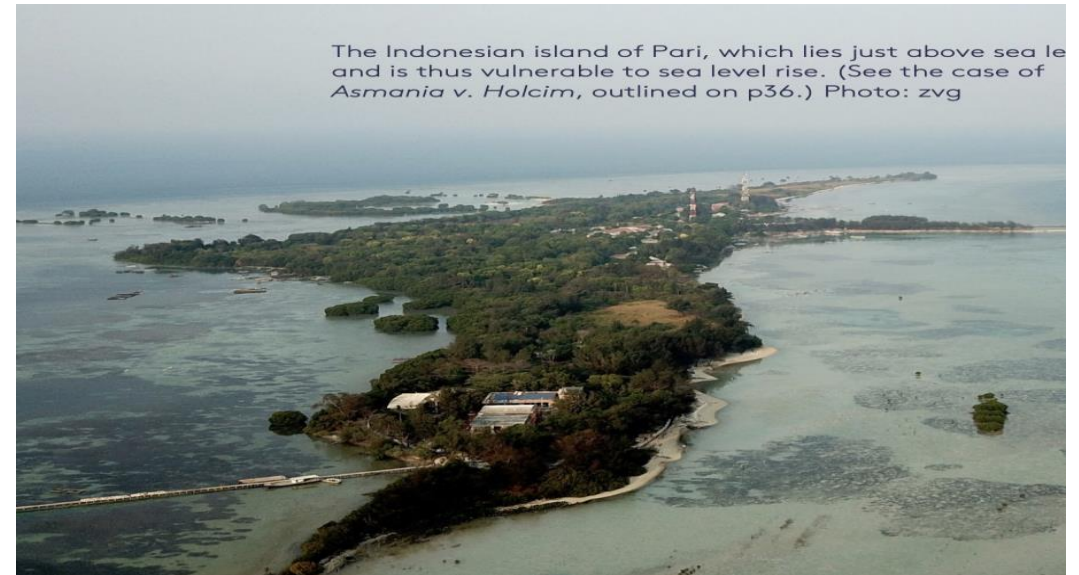


Placards designed by Friends of the Earth displaying messages from young people about their hopes for the future, outside the High Court in London in June 2022 which was hearing the case R (on the application of Friends of the Earth et al.) v. Secretary of State for Business Energy and Industrial Strategy "Net Zero Challenge". © Friends of the Earth (England, Wales and Northern Ireland).



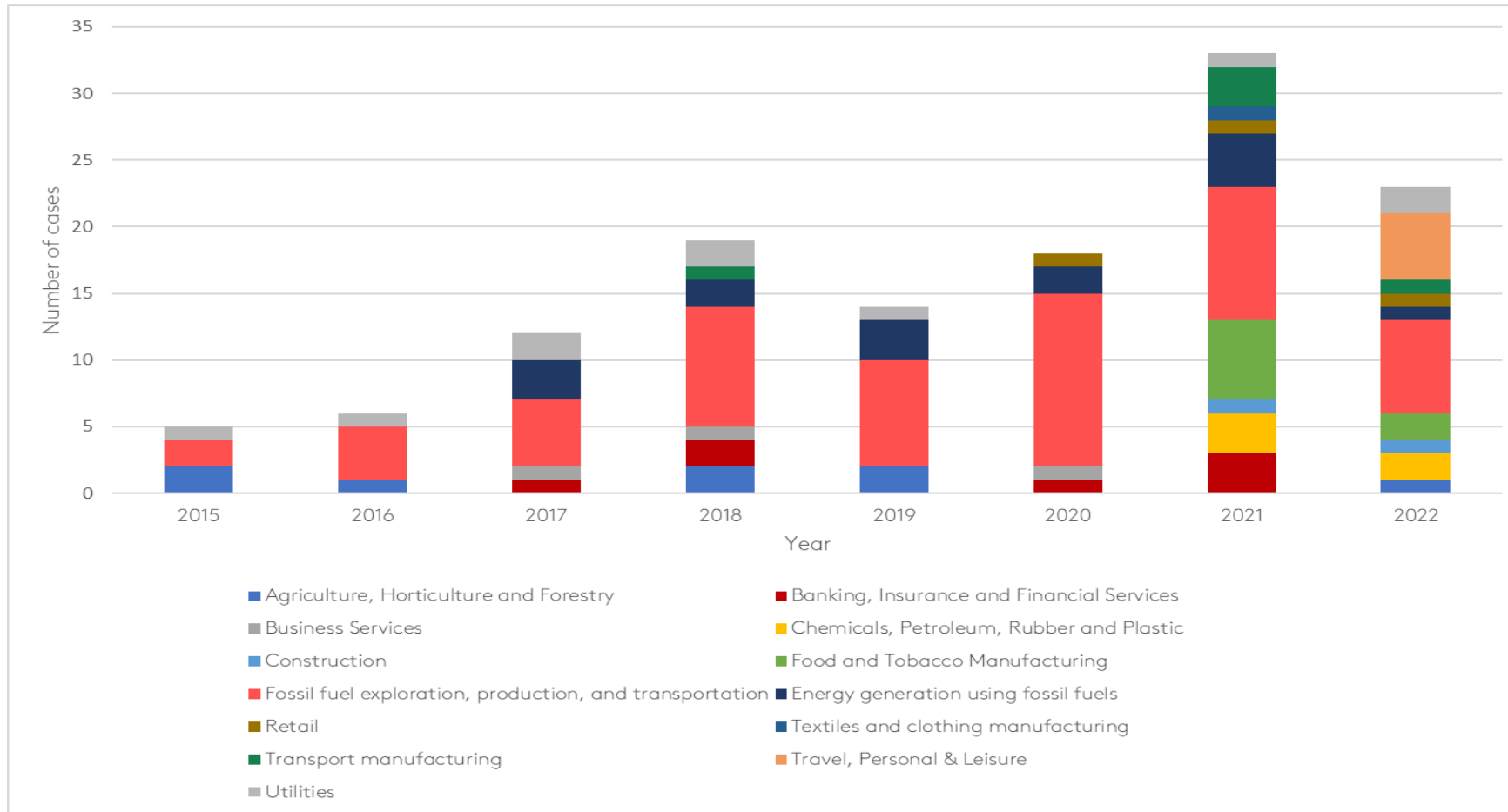
# Cases against corporates and financial institutions

- Polluter Pays
- Framework Cases (aligning with 1.5)
- Turning off the taps
- Climate-washing



The Indonesian island of Pari, which lies just above sea level and is thus vulnerable to sea level rise. (See the case of *Asmania v. Holcim*, outlined on p36.) Photo: zvg

# Corporate cases: more sectors, because there are more legal arguments



Number of cases against corporations by sector type including US and Global cases (2015–2022)





Figure 1.6. Outcomes in global climate litigation

■ Favourable ■ Neutral ■ Withdrawn or settled ■ Unfavourable

## Outcomes vs. impacts

### Indirect impacts:

- Influencing policy
- Shaping narratives
- Amplifying Climate Risk

# Impacts of climate litigation on firm value

Misato Sato, Glen Gostlow, Catherine Higham,  
Joana Setzer and Frank Venmans

May 2023

## Big polluters' share prices fall after climate lawsuits, study finds

Exclusive: Fossil fuel companies register drop in value after litigation or unfavourable judgments



The study found stock markets responded most strongly in the days after cases against carbon majors, which include the world's largest energy, utility and materials firms. Photograph: Dean Mouhtaropoulos/Getty Images

Climate litigation poses a financial risk to fossil fuel companies because it lowers the share price of big polluters, research has found.

A study to be published on Tuesday by LSE's Grantham Research Institute examines how the stock market reacts to news that a fresh climate lawsuit

# Market responses to climate cases

- *Climate litigation filed or a decision against a company saw company value drop on average by 0.41%*
- *Higher for carbon majors*
  - *Effect largest for negative decisions against Carbon majors*
- *No effect before 2019*

# Could new legislation fill the gaps?



## Fit for 55

Government framework cases

Just Transition cases



## Corporate Sustainability Due Diligence Directive

Framework cases

Polluter pays?



## EU Green Claims Directive

Climate-washing cases



## Sustainable Finance Reporting Regulation (Reform)

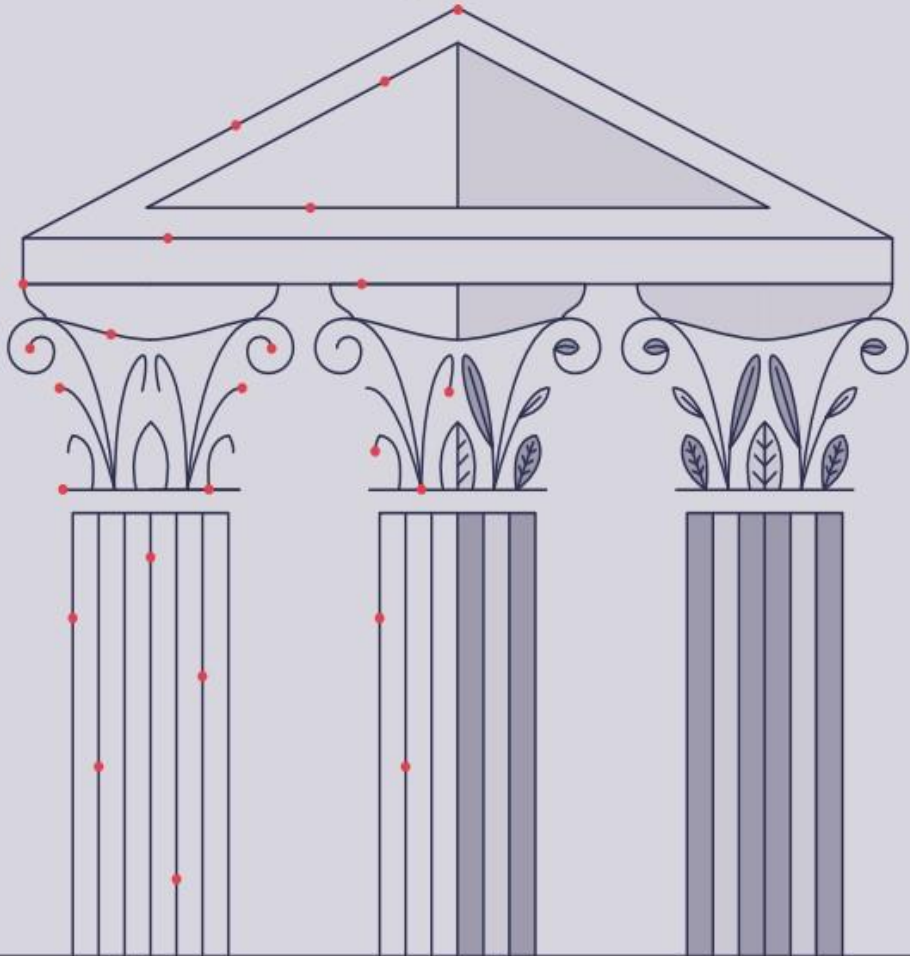
Climate-washing cases

Higham et al, *Climate change law in Europe: what do new EU climate laws mean for the courts?* 2023



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Joana Setzer and Catherine Higham



## Thank you!

- **Access the 2023 report**

<https://www.lse.ac.uk/granthaminstitute/publication/global-trends-in-climate-litigation-2023-snapshot>

- **Access the database:**

<https://climate-laws.org>

- **Contact us:**

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