

## EPISODE 13: Brynn O'Brien Interviewed by Dr. Tina Davis

**TINA:**

Today, I wish to warmly welcome Brynn O'Brien, who is the executive director of the Australasian Center for Corporate Responsibility. The ACCR is based in Sydney, Australia. I am also in Australia at the moment where we are seeing unprecedented and devastating bushfires playing out in large parts of the country. And in the light of this we will discuss climate change, and how climate change is linked to human rights issues, such as modern forms of slavery and severe exploitation. We will also talk about what shareholder activism is, and how this can influence better performance on environmental, social and governance issues, so called ESG issues by large companies. Welcome, Brynn.



**BRYNN:**

Thanks for having me, Tina.

**TINA:**

My pleasure. Can you first share what ACCR do as an organization?

**BRYNN:**

We're an activist shareholder NGO, what we do is we hold small shareholdings in large listed companies primarily in Australia, but also increasingly large listed companies that have operational impacts in Australia for unlisted companies. And we pursue improvements to the environmental and social practices through research and shareholder engagement. And when I say shareholder engagement, I mean in private, so arranging and then conducting conversations but assertive conversations with companies about their environmental or social or human rights performance, as well as then moving to the more public end of the engagement spectrum, which is filing and then arguing in favor of shareholder resolutions. The shareholder resolution is a tool of corporations law that exists in many jurisdictions including Australia, the UK, most continental Europe and Scandinavia and the US and so on, which allow shareholders to ask the board of a company to reconsider their approach to a certain issue to suggest ways that a company can respond in particular to emerging areas of risk.

**TINA:**

You are a shareholder activism organization. What does that mean in practical terms?

**BRYNN:**

At its most basic level, we take a small ownership position in companies so companies are essentially in many ways participatory democracies, and owning a small part of a company gives a person or an institution certain rights. So we look at those rights in perhaps a different way to other shareholders. We line those rights up with principles for responsible investment and relevant human rights standards as well as the principles of justice and, and a livable planet, a safe planet upon which to live, as well as labor rights, of course, which you know, falls broadly within that human rights sphere. And so we seek to use those rights that shareholders have to pursue companies performance and risk management to advance these other rights that are shared by us all.

**TINA:**

So in this way, you are influencing companies to improve their performance, on environmental issues, on social issues, such as upholding labor rights and ensuring that there's no exploitation or forced labor connected to their operations and also in the area of governance.

**BRYNN:**

That's right. We do that through, I guess the the the foundation of that is this small ownership stake in large companies. But the tool that sits around that is the mobilization of institutional shareholder capital to support those aims. So, as many of your listeners will know, there are all around the world economies have developed in relation to pension funds, for example, or funds with some sort of social or retirement or other purpose. Those funds act in the interests of their members and their members, are, you know, regular people who've had, you know, working lives and if there's money that has gone into a fund on behalf of those members, and also sovereign wealth funds, who of course act in the interests of the citizens of the state, to which they're attached. And those types of funds so those funds that have a social capital element to them have often signed up to a range of standards. So those standards will be, you know, aligned with the long term best interests of their members. They might be human rights standards, they might be labor and modern slavery standards. They might be ecological or environmental standards, it might be standards around how companies in their portfolio, support the rights of First Nations people that they come into contact through their operations or their services. So we seek to bring, I guess, those kinds of standards that are important to institutional capital, a certain kind of social institutional capital, we seek to bring those standards very much into the mainstream risk management of a company. Give them that, you know, there is that connection between those community norms and community standards, the standards that have

been adopted by the communities institutional kind of financial actors. Like pension funds and sovereign wealth funds, which then own a large stake often in these companies.

**TINA:**

I'd like us to talk about the bigger pictures of some of the issues you just mentioned there. I know you've been saying for a while that human rights are not separate from climate issues, and that we need to focus on climate change for the sake of human rights. Can you elaborate on that?

**BRYNN:**

Climate change is everything changed, essentially. I mean, we just had a horrific, we're still in the middle of a horrific summer of bushfires in Australia, and bushfires that the scale and intensity of which has been absolutely amplified by climate change. So people are really starting to see that climate change affects daily lives, their ability to be safe in their own homes, and to have access to power and water and so on. The bushfires have had absolutely devastating impacts for indigenous communities on the east and southeast coast of Australia, whose histories and cultures are very deeply connected to the land. So there have been very significant human rights impacts already of the Australian brushfires over the summer. But when I say climate change means everything change, it means change for workers, perhaps who have worked in or who continue to work in fossil fuels economies, and the services that are provided to those economies. It really means everything changed. So it is also a terrible threat multiplier. So people who are already vulnerable or conflict or tensions that exists between states or over resources may become worse or are likely to become worse as our weather patterns change, as droughts worsen, as those impacts on our physical world are felt. So that's why I say that climate change is a human rights issue. And we know that the primary driver driver of climate change is the extraction and the burning of fossil fuels. So climate change is a business and human rights issue, because fossil fuels are largely extracted by companies and burned by industrial activity. So, you know, I've over the last few years, as you know, my background is as a corporations lawyer and then a human rights lawyer. But over the last few years, it has become very striking to, you know, to anyone who works in this space that emissions reduction by high emitting companies is actually a core part of their responsibility to respect human rights now, that failing to reduce emissions, at this point in time or continuing to emit greenhouse gases by industries into into the atmosphere, that has demonstrable human rights consequences, and they will only get worse if those activities are not constrained urgently.

**TINA:**

What would you think would be the consequences to this fragmented approach and siloed thinking when it comes to climate change, fossil fuel emission and human rights.

**BRYNN:**

The consequences of not acting to urgently constrain the extraction and combustion of fossil fuels is that we have total societal breakdown. Like that's the, that's the medium term consequence of this. You know, the systems that that we know, that we depend upon, will break down, we'll just have large, large scale chaos. So to avoid that, we need radical change to every part of our economies. You know, in the in the West in the global north, we must become non dependent on fossil fuels for energy. And we must do that now. And that's not something that can just be achieved by environmentalists. That is not something that can just be achieved by climate scientists. It requires all of us, every single one of us, particularly those who work in these fields like business and human rights, where different stakeholder groups intersect to start talking clearly about climate change as a human rights issue and emissions reduction as a as a human rights demand, because if we don't, consequences are simply catastrophic.

**TINA:**

We are both in Australia at the moment where we are experiencing that devastating bushfires. How are these bushfires impacting the communities?

**BRYNN:**

I think we've seen a number of different impacts. One is the smoke that has been present across the east coast of Australia and the south for over two months now. There are no studies on the effect of serious air pollution due to bushfires on human health at this scale, there simply is no research. So we apart from the you know, data about increased hospitalizations due to respiratory illness and asthma, that are coming in now, you know, we do not know what those health impacts will look like. But certainly the impact on just your quality of life, as you will have noticed, just in you know, in Sydney has been astonishing. So, that's one of the impacts and then of course, for people in communities directly affected by the fires, those impacts are very significant in on the south coast of New South Wales. These fires hit at peak tourist season, and these uh, you know, small economies that rely on the Christmas holiday injection of tourist dollars to survive for the rest of the year. So, you know, there will be businesses that wind up, there will be children that go to school hungry, those impacts we are only just starting to understand. There's been enormous impacts on infrastructure on roads, on power supply on water support supply. And on, you know, on wildlife has been has been, you know, extraordinary impacts. And I said earlier but it's worth, it's worth worth mentioning again, historical and cultural impacts on indigenous communities that have been affected by the fires can't be underestimated, like with we're starting to learn about that. But I think there's they're very, very significant impacts.

**TINA:**

With the bushfires, what we are seeing and hearing and reading right now it's quite overwhelming. And it's hard to put into words what's happening in front of us. We know that the impacts will be massive on so many levels, including the economic impacts. Yet this seems to be this incredible disconnect between these impacts and the reality going on and the political approach to climate change.

**BRYNN:**

In terms of economic and job related employment related impacts, I mean, our federal government keeps talking about how it won't sacrifice a single job in regional Queensland in in coal mining areas. Well, it has just sacrificed many, many jobs and many, many small businesses and many, many livelihoods on the south coast of New South Wales and in the south east of Victoria. Climate change. This is just the beginning, we will see so much more economic activity, not be able to function our economy just will not be able to function in the same way there was a study that came out a week or so ago that estimated the cost over time of this bushfire event will be 100 billion dollars. That's certainly more than the you know, the annual coal export revenue of the country HE.

**TINA:**

If we are to connect climate change with modern slavery, how is the ongoing climate crisis going to affect vulnerable communities and vulnerable people and make them more susceptible to exploitation.

**BRYNN:**

So we know that one of the key drivers of vulnerability to modern forms of slavery and serious exploitation is precarious migration status. And conservative predictions of people who will be forced to be on on the move due to climate related harms by the middle of the century, you know, in the hundreds of hundreds of millions of people. So there will be unprecedented numbers of people who are subject to serious or who are vulnerable to serious forms of exploitation. That's that sort of threat multiplier effect. I also think that people in vulnerable positions will become increasingly vulnerable. So even in Australia, we at ACCR, have done some work on labor conditions in supermarket agricultural supply chains, and we've put a series of shareholder resolutions to our big return Tyler Coles and Woolworths about those labor conditions, which, you know, have been described as severely exploitative. But we expect that within you know, changes in weather conditions that there will be new or, or increased vulnerabilities in terms of heat stress, for example, or exposure to unsafe working conditions through hazardous air quality. So, people already in vulnerable situations will likely become more vulnerable to those directly climate and weather related stressors.

**TINA:**

I suppose that the farmers will be severely affected financially by the bushfires. And that this situation causes downward pressure in the supply chain, which we know may lead to exploitation on the ground.

**BRYNN:**

That's right, I think there will be more of that pressure. And we know that unless there are really strong labor and human rights protections as well as trade union representation on the ground In Australian agricultural supply chains, we know that that downward pressure results in increased exploitation.

**TINA:**

Can you share about the shareholder resolutions you have filed against the big food retailers and what this means in practical terms.

**BRYNN:**

Our approach over the last couple of years has been refined substantially in partnership with the NEW, the National Union of Workers, which has just merged with another union to become the United Workers Union. So they organize people in an agricultural supply chains. And, you know, there's a whole very large migrant workforce in, in agricultural supply chains in Australia. So we started out asking for human rights risk review, that approach was resisted by Woolworths. They ended up doing some of it but the the exploitation after you know, the, the following year remained and so we bought another shareholder resolution to that company. Thinking to promote the principles of worker driven social responsibility. So, trade union or labor organization representation, workers having access to real and effective grievance mechanisms and remedies where they're protected from retribution, you know, and the enforcement of labor and wage standards. So, that is an ongoing piece of work, the Woolworth and the trade union, continuing conversations and we're hopeful that a pilot program will be set up this year to do trial worker driven social responsibility in a part, a geographical region, i guess if the Woolworths agricultural supply chain. Woolworth because of that kind of continuing conversation we filed a shareholder resolution towards Woolworth in 2019. We did, however, file a resolution to calls which had recently emerged from Westfarmers has spun off as a separate listed business. And again put that that same resolution to them. So those resolutions are kind of getting in the 12 to 15% range, which is pretty reasonable for resolution on labor issues of that kind. But time will tell and I guess given the downward pressure on the supply chain, it is going to be really important that the companies do move to ensure that the rights of agricultural workers are respected in a far more sophisticated way than they have been before.

So we know that reliance on audits conducted by accounting firms don't work. We we know that we know the most effective ways of ensuring that people are safe and appropriately paid and have good conditions in their supply chains. We know that is through worker driven social responsibility. So we will keep pursuing those principles with our big listed retailers in Australia and we do hope to see movement on that fear.

**TINA:**

To go back to the issue of climate change. What are our possibilities as you see it going forward.

**BRYNN:**

The earth will keep heating. While we keep emitting greenhouse gases into the atmosphere, we need to get our emissions to zero as quickly as we can. That means adopting rapid transition pathways for energy and utilities, but it also means for countries like Australia, putting constraints on exploration and expansion of new fossil fuels reserve. You know, there are new developments being considered and being set up as we speak the Adani mine in the Galilee basin in Central Queensland has the potential to open up an enormous carbon bomb is an absolute tragedy and outrage for the planet. So we also have the the unconstrained expansion of the the LNG liquid natural gas industry in Australia and the gas industry is behaving as though there there are no limits to their growth. So we need to reckon with that, essentially, as an export economic model for Australia, we need to bring that to an end urgently. We also need to fight on an international level for stronger global action. And more rapid global action on climate change. And up to this point, Australia has been the enemy of of that that kind of action. We at the most recent climate talks in Madrid at the end of last year, Australia effectively held up talks because it was arguing to use an accounting trick to to weaken our national targets. So we need to do an enormous, enormous shift. And in the absence of federal government leadership, we really need the investment sector to pull their weight far more than they currently are. So we know that fossil fuels companies won't decarbonize and won't change their business models unless they experience very, very serious investor investment sector pressure. That pressure has not yet been brought to bear on fossil fuels companies that operate in Australia. And we need to see much, much more of it in 2020.

**TINA:**

Before we wrap up our conversation, do you have any last comments you'd like to share?

**BRYNN:**

I think the key thing is that it all of these parts of the work of sustainability professionals, I guess, and social movements have to come together. So all of these different areas are

interrelated. And the way that we win is to recognize that you know, the existence of certain forms of business activity. So the unconstrained expansion of the fossil fuels industry are incompatible with not only our jobs and our livelihoods, but our existence, and we need to work together to bring those kinds of business models to an end. I think that your listeners you know, understand how certain kinds of exploitative business models in, for example, the power or the manufacturing sector, are incompatible with people's dignity and safety. Well, in the fossil fuels economy, these business models are incompatible with the dignity and safety of all of us. So when we realize that an approach, this is a big collective task, that we have to stand together to bring an end to these kind of business, then that is really where we will, we will start to make progress.

**TINA:**

Thank you so much, Brynn, for sharing your thoughts and lending your expertise on how climate change and human rights are linked, and on shareholder activism as a tool to influence company behavior. Thank you so much.

**BRYNN:**

Likewise. Thanks, Tina.