



The Sunrise Project 2019 Annual Report

The Sunrise Project Australia Limited
ABN 65 159 324 697



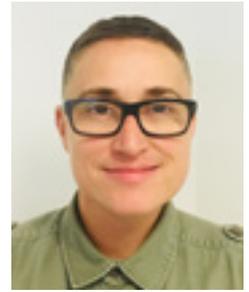


We acknowledge and pay respect to the Traditional Custodians of this country we call Australia, and to First Nations People around the world who continue to be on the front lines of the struggle for environmental justice.

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Letter from the Co-Executive Directors



2019 feels like a lifetime ago. The accelerating impacts of climate change rolled into each other, resulting in another much-needed step change in global climate concern. The world watched in horror as the ancient forests of the Amazon burned, record heatwaves hit Europe and deadly flooding in Africa washed away people's homes. In Australia, extreme drought created the perfect conditions for the unprecedented bushfires that destroyed people's lives, vast areas of bushland and untold wildlife, searing the reality of climate change impacts into the national psyche. It seemed that necessary momentum was finally building. Then in early 2020 COVID-19 hit, disrupting economies, amplifying existing social tensions and economic injustices, especially in the United States.

The momentum for climate action during 2019 will be critically important for how the world responds to and emerges from the largest disruption to the global economy in our lifetimes. The response to the pandemic is testing the resilience of our economic, social and political systems and is, in many ways, a teaser for the bigger disruption of climate breakdown that we're inevitably going to face unless the world rapidly changes course. Amidst the untold suffering, the pandemic also creates an unprecedented opportunity to build back better – placing justice, resilience and sustainability at the heart of our economy. This is the challenge for 2020 and beyond.

2019 was also a pivotal year for The Sunrise Project as we stepped up in response to the scale and urgency of the climate crisis and transitioned from being a predominantly Australian organisation to being a global organisation with programs and staff spanning multiple continents. We started our global finance program in 2017 with support from the Climate Breakthrough Project, and we're proud of the global impact we've had. Now we're excited to be scaling this program with new partnerships and bigger, bolder ambition to shift the global finance system away from fossil fuels. In Australia, we continued to expand our work from constraining coal mining to preventing gas expansion and increased our focus on the transformation of the Australian electricity system. And now as we head into 2020, we're optimistic about the potential for Australia to become a leading exporter of renewable energy and associated industries to the world. The remarkable and relentless cost reductions of solar energy are opening up exciting new opportunities to revitalise the Australian economy and transform the political impasse on effective climate policy.

But despite this potential, many of our elected representatives continue to try to navigate the future using outdated mental maps, pushing massive coal and gas expansions that fly in the face of the energy transition the world so urgently needs.

We continue to be inspired by the work of our many movement partners in Australia and around the world. The remarkable leadership of school students in 2019 really laid down a challenge to all of us to do more to protect their future. So too did First Nations' people's communities who continue to stand up as the first line of resistance to fossil fuel expansion in so many parts of the world.

We're proud to be working alongside the many courageous changemakers who, through their passion, commitment and relentless hard work are slowly but surely bending the arc of history in this race against time.

John Hepburn and Sam La Rocca
Co-Executive Directors
The Sunrise Project

Letter from the Board of Directors



As we look back on 2019, it is hard not to be distracted by the shocking start to 2020, with catastrophic bushfires in Australia, the ongoing global COVID-19 pandemic, as well as restrictions of civil liberties and the right to protest in many countries around the world. The ability to campaign in these turbulent times is certainly being put to the test. The rebuilding of world economies post COVID will impact our 2020 work, presenting both risks and opportunities to communities, the environment and our mission.

The Sunrise Project has continued to expand over the past year, ending 2019 with a strong team of 24 people. With the increasing ambition of its work and growing size of the team and partners, the Board is delighted that Sam La Rocca accepted the position of Co-Executive Director to work alongside founder and Co-Executive Director John Hepburn. We know that Sam and John will create a strong leadership team to take the organisation into the next decade.

Two events stand out for us in 2019. The extraordinary global student strikes with millions of children and parents involved in thousands of events across 150 countries. And the first real progressive step by BlackRock, the world's largest asset manager, announcing a new policy to put climate change and sustainability at the centre of its business model. While there is a long way to go, this shift was in part due to the growing pressure from social movements to hold investors accountable for their impacts on climate change.

2019 also saw big changes on the Sunrise board, with Mark Wakeham stepping down as Chair. We would like to recognise Mark's strong contribution to the growth and development of The Sunrise Project over the seven years he was on the Board, and sincerely thank him for his dedication and leadership. We are also pleased to welcome Claire Mallinson who took over the role of Board Chair from 1st June 2020. Claire has over 30 years of senior leadership experience with environmental, human rights, disability and cancer research organisations in Australia and internationally. We're excited about the experience, passion and vision she'll bring to the Board.

We would like to recognise the growing support from our funding partners that enables Sunrise to do our work in the world. This support, along with the hard work of the brilliant and talented Sunrise team, grantees and other partners will ensure we continue to deliver on our mission of scaling social movements to drive the transition from fossil fuels to renewable energy as fast as possible.

We approach the coming year with both trepidation and excitement and look forward to working with many of you.

A handwritten signature in dark ink, appearing to read 'Catherine Fitzpatrick and Aviva Imhof', written in a cursive style.

Catherine Fitzpatrick and Aviva Imhof
Co-Chairs, The Sunrise Project Board



Driven by the imperative of climate justice, The Sunrise Project's mission is to scale social movements to drive the transition from fossil fuels to renewable energy as fast as possible.





Pictured above: Bimblebox Nature Refuge. © Sandra Gallienne. Pictured opposite page: Wind turbines in Palm Springs. © Kai Gradert

Our charitable purpose

The Sunrise Project is a not-for-profit company registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC) and is on the National Register of Environmental Organisations.

Our charitable purpose is to:

- Protect, preserve and enhance the natural environment
- Protect the natural environment from pollution and over exploitation
- Support and empower individuals, communities, governments and industry to make changes required to prevent dangerous climate change
- Facilitate public education about, and promote the transition to, a clean energy economy
- Educate, empower and support communities to protect natural assets and promote the sustainable and equitable use of natural resources in their local areas
- Receive and to grant funds for the achievement of the above purposes.

Our values

Come on, it's 2020: We relentlessly ask: 'what is actually required to solve the climate crisis?' and we push ourselves to imagine and implement the scale of action required. We move quickly and are willing to risk failing (fast) in pursuit of large-scale systemic change.

Lean in: We don't shy away from complex problems, difficult issues or the hard conversations we need to have with ourselves or our partners, even when we feel uncertain.

Relationships come first: We understand that the quality of our relationships determines the effectiveness of our actions. We actively nurture honest, healthy relationships of mutual respect so we can foster powerful teams, organisations and movements.

Make the road by walking: It is a long road to climate justice but we are committed to doing the work we can today so we are closer tomorrow. We challenge structural inequality and strive to bring about justice in our programs, the movements we are a part of, and our own organisation.

It's not about us: We're not here to build our organisation - we're here to play our part in scaling social movements that can change the world. We prioritise enabling others to do their best work rather than trying to do it ourselves. We understand how much can be achieved if you don't need to take credit for it and we generously celebrate the work of others.

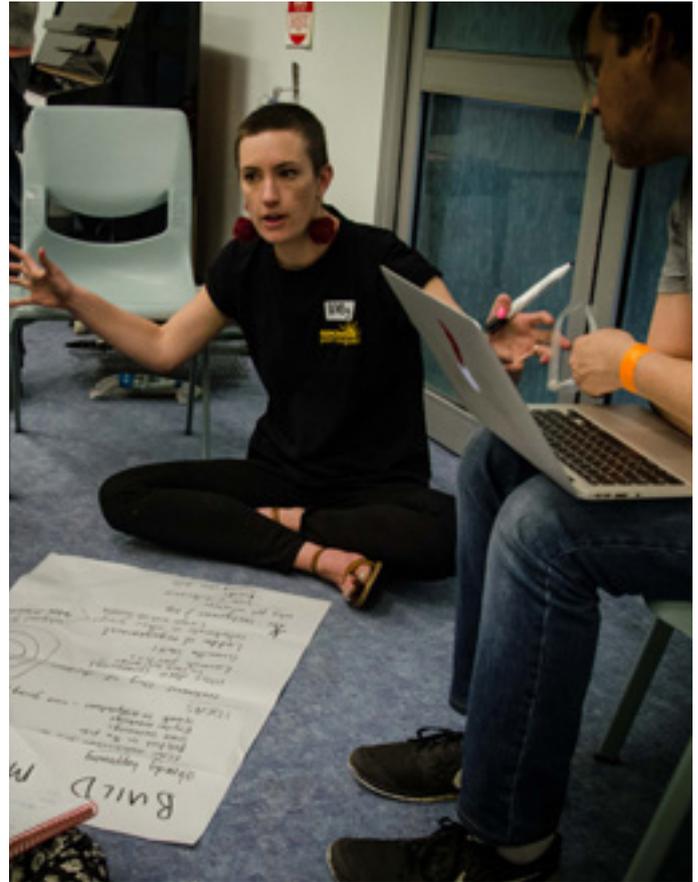
Our approach

We support networks of organisations to work together to achieve outcomes that would not be possible by individual organisations acting alone.

We are facing a climate and extinction crisis that has many drivers. At a basic level, the climate crisis is caused by digging up and burning fossil fuels (coal, oil and gas) and cutting down too many trees. Technical solutions are readily available, but the challenge lies in transforming the complex economic, social and political dynamics that maintain the status quo, perpetuate injustice and inequality, and get in the way of the change we so urgently need.

Throughout history, social movements – diverse networks of people and organisations working towards a common goal – have shifted public opinion, created cultural change and won reforms that were previously thought impossible. Change doesn't come overnight and with each step forward there are more steps to take – but social movements have a track record of making the world a better place.

So rather than just trying to take on one small part of the climate problem by ourselves, The Sunrise Project aims to scale social movements, by supporting diverse partners to work together to have a bigger impact than we, or they, could achieve on our own. We think of it as cultivating an 'ecosystem' of actors catalysing non-linear social change.



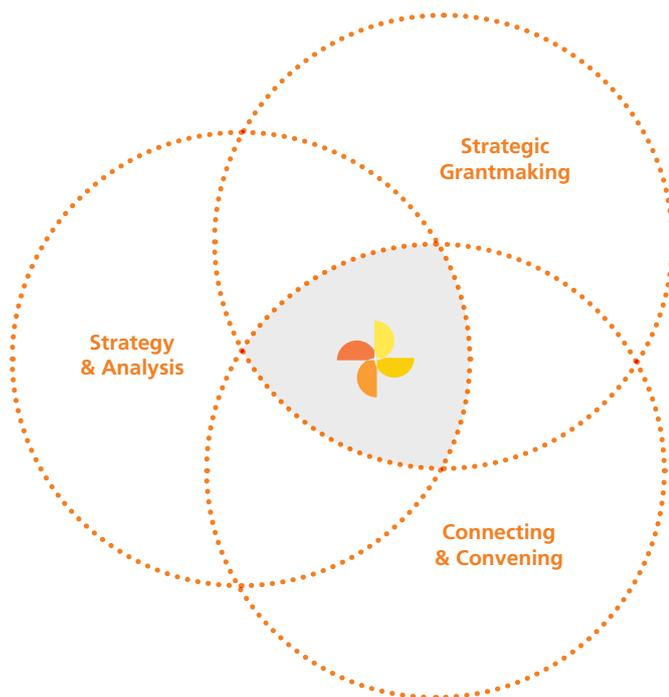
Pictured above: The Sunrise Project aims to scale movements to maximise impact. © Karl Goodsell

We have developed a unique model for making a difference that sits at the boundary of philanthropy and social movements.

We:

1. Research and analyse problems and systems to develop evidence-based strategies that will help us achieve our mission
2. Work closely with funders, foundations and philanthropists to align resources and re-grant funds to other organisations
3. Convene, connect and support network-based campaigns to drive the transition to clean energy.

The climate crisis is a complex and multi-dimensional challenge, which is why we take a system-wide view of the issues we work on and encourage and support collaboration between unlikely networks of stakeholders and change makers – including government regulators, industry associations, large NGOs, small community groups, local communities impacted by fossil fuel expansion or decline, academics, faith groups, investors, analysts, First Nations communities, health professionals, farmers, scientists, politicians, lawyers, economists, students – each of which is focussed on their own piece of the puzzle.



Our programs

Our top-level strategy rests on the foundation of the rapidly changing economics of energy. The transition from fossil fuels to renewable energy is well and truly underway, with clean energy increasingly out-competing fossil fuels on both price and reliability. However, the fossil fuel industry has the power of incumbency, with extraordinary networks of influence that are slowing the transition through outdated government and corporate policies, hidden subsidies, big spend advertising campaigns and political threats, old boys' clubs and in some cases outright corruption.

Our challenge is to overcome the vested interests of the fossil fuel industry to speed the transition to clean energy in time to avert the worst impacts of climate change.

We see our strategy as systematically removing the pillars of support for fossil fuels - social license, finance and political support - while building support for clean energy and a just transition.

Pictured below: Protestors outside BlackRock San Francisco, CA. © Brooke Anderson







Pictured above: Mount Barney bushfires, Queensland. Pictured opposite page: Bayswater Power Station. © Dean Sewell

A rapidly changing context

The imperative to act on climate change has never been clearer. 2019 was the second hottest year on record with yet more temperature records smashed. Warmer seas continued to fuel reef bleaching, barrelling hurricanes, brutal droughts, horrendous floods and catastrophic bushfires. People around the world are feeling climate change on a daily basis, particularly those who are already marginalised and vulnerable.

The mining and burning of fossil fuels is still the primary driver of global warming, which is why so many countries, companies and communities are moving to alternatives.

For many of us who have been working to drive action on climate change for a long time, it felt like something shifted in 2019. The passion and determination of the youth movements, the relentless and growing pace of technological change in energy markets, and an emerging movement of workers pushing the world's largest companies to adopt stronger climate policies all helped to build momentum for action far beyond the ambition of our political leaders.

But it is impossible to reflect on 2019 without acknowledging the rapidly changing context of 2020. COVID-19 is a magnifier of inequality within and between countries, and the rolling impacts will be hard to predict and even harder to recover from.

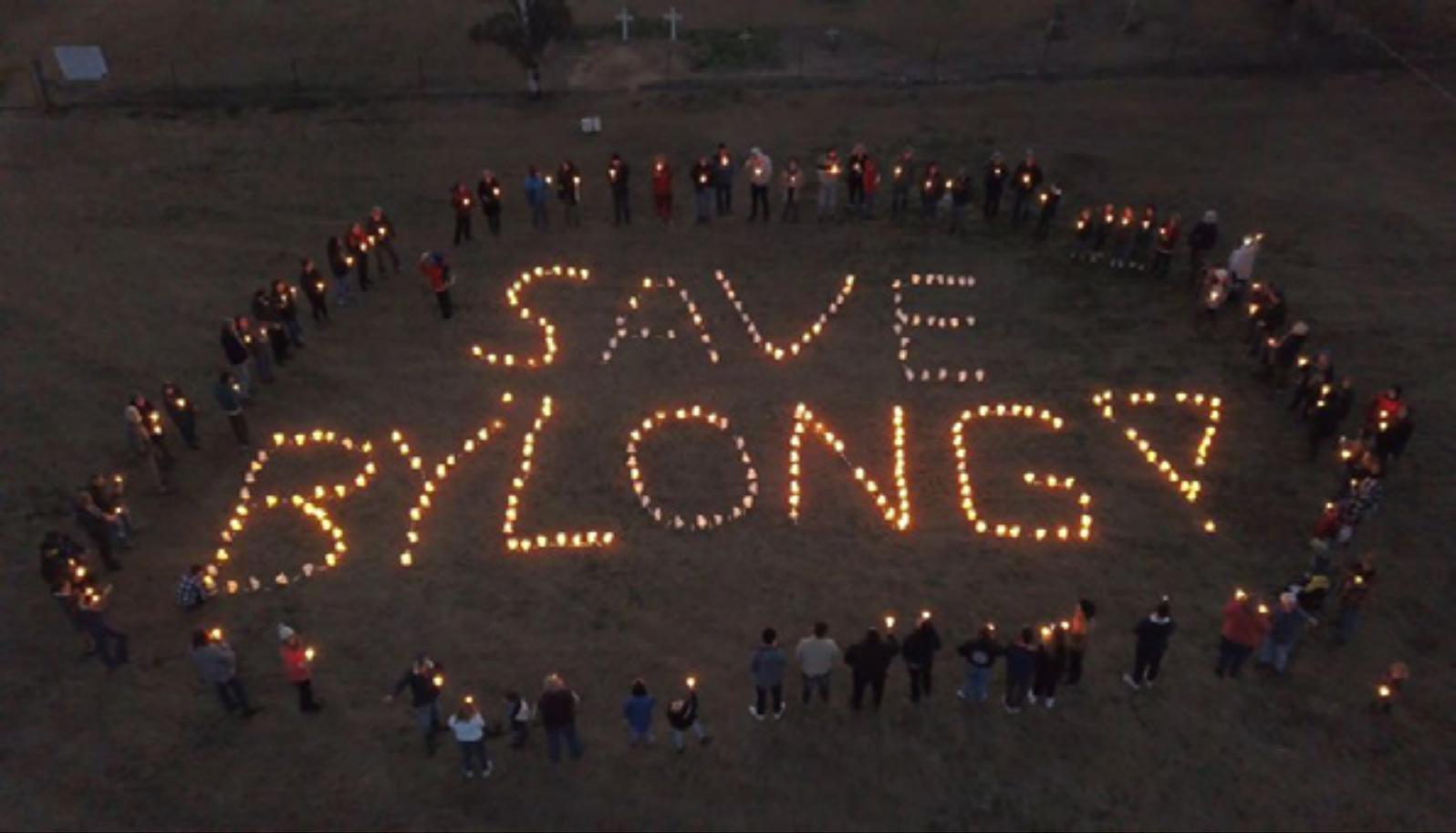
On top of this, the death of George Floyd in the United States has catalysed another wave of anger and global solidarity that has exposed the deep structural racism and injustice in the United States and many other countries around the world. While in Australia the spotlight is being pointed at the institutional racism demonstrated by the disproportionate incarceration of Aboriginal and Torres Strait Islanders and People of Colour, black deaths in custody, and the brutal, state-sanctioned destruction of Indigenous cultural heritage and history at the hands of mining companies.

Moments of profound disruption such as these can be catalysts for great change, but what kind of change and for whose benefit is not guaranteed. That's up to us. The challenge before us is to emerge from these crises stronger, in a way that centres justice, builds resilience and tackles the structural inequalities that are intertwined with the ecological crisis.



Moments of profound disruption such as these can be catalysts for great change, but what kind of change and for whose benefit is not guaranteed. That's up to us.





Pictured above: In 2019 the Bylong community had a significant win against Kepco, which sought to destroy their beautiful valley with a coal mine. © Pete Dowson
Pictured opposite page: 9 year old Miwa at Nymboida on the NSW South Coast, outside the bushfire wrecked ruins of her mother's family home.

Australian program

All countries have a role to play in solving the climate crisis and Australia has a bigger role than most. Australia makes three key contributions to climate change:

- 1. Exported emissions from coal and gas** – Australia is the largest exporter of metallurgical coal, second largest exporter of thermal coal and the largest LNG exporter (tied with Qatar) – our exported emissions are twice that of total domestic emissions every year.
- 2. Domestic emissions** – Australia has among the highest per capita emissions globally, a third generated by our electricity sector, which is dominated by one of the oldest and dirtiest fleets of coal power stations in the world.
- 3. Fossil fuel diplomacy** – in order to protect our coal and gas export industries, Australian Governments work with the fossil fuel lobby to actively undermine climate action at a global level – both through multilateral fora such as the United Nations Framework Convention on Climate Change and the Organisation for Economic Co-operation and Development but also by directly lobbying national governments in our region.

When both domestic and exported emissions are counted, Australia represents about 5% of total global fossil fuel emissions, making us the 6th or 7th largest emitter in the world. In a nutshell, Australia punches well above its weight as a global climate polluter. As an Australian-born and based organisation, we are committed to ensuring that

Australia moves beyond fossil fuels to become a positive and constructive leader in solving the climate crisis on the global stage.

Our Australian program aims to drive the transition beyond fossil fuels to renewable energy as fast as possible. In addition to driving focussed campaigns, we are also proud to be playing a core role in supporting, convening and connecting many different analysts, think tanks, community and campaigning organisations that share our goals.

In 2019 our Australian program focused on four top level goals:

1. Prevent major expansion of coal exports.
2. Prevent major expansion of gas exports.
3. Replace domestic coal power with renewable energy by 2030.
4. Transform the politics of climate change so Australia no longer plays a damaging global role.

As we move into 2020, we're excited to be expanding the scope of our Australian work to help drive climate solutions and economic renewal by putting Australia on the path to 700% renewable energy industry exports.

The Australian politics of climate change in 2019

2019 was set to be a game changing year for the politics of climate change in Australia and was largely dominated by the build up to, and aftermath of the federal election.

A story was built around the much-anticipated replacement of the conservative Liberal-National Federal Government, in part because of their lack of willingness or indeed capacity to adequately implement a credible climate or energy policy. Because of the near universal expectation of a Labor victory, a lot of community effort was focused on winning stronger commitments from them and building a mandate for climate action, including stopping the Adani project.

While climate change was a big part of the story of the election (and changed how many people voted in some parts of the country), the overall election outcome was determined by a lack of trust in Labor's leadership and fears for the impacts of their economic policies. These sentiments were heavily exploited by an unprecedented multi-million dollar advertising campaign by coal billionaire Clive Palmer.

The reality of the election result did not get in the way of climate denialists and the coal lobby spinning the election result as a vote for coal, and against climate action. And while it might have paved the way for the final approvals for the Adani coal mine, this sentiment has not endured.

In the months following the election, the student strike movement mobilised hundreds of thousands of people, demonstrating that Australians do expect governments to implement credible climate policies, including an end to export coal and gas expansion and the transition to at least 100% renewable energy in Australia.

Pictured below: Federal election day, Sydney.





Pictured above: Acland coal mine surrounded by pristine farmland. © Lock the Gate Alliance.

Supporting communities to protect the environment from coal & gas expansion

The mining, burning and export of coal and gas is Australia's largest contribution to the climate crisis. If Australia is to play its part in helping the world decarbonise, we cannot continue to expand coal and gas exports.

Around Australia, local communities often find themselves pitted against giant multinational coal and gas companies which want to turn farmland and sometimes whole towns into open cut mines or networks of gas wells. The regulatory approval system is just that – an 'approval' system that tilts the playing field in favour of mining companies. Even the existing weak regulations are poorly enforced.

An important part of our work is to help level the playing field by supporting a wide range of local community groups to protect their local communities' health and environment, farmland, rivers and groundwater from the impacts of coal mining and gas fracking.

By providing core funding support to organisations as well as small grants to community groups around the country, we're supporting communities to hold mining companies to account and protect Australia's precious environmental assets from being damaged by fossil fuel extraction directly and through the exacerbation of climate change.

In 2019 communities in Gloucester, Bylong, the Hunter Valley, Kingaroy and the Darling Downs all had significant wins in protecting their interests over those of coal mining companies. In New South Wales the Independent Planning Commission made important decisions to limit the impacts of new coal mines in exacerbating climate change. In Queensland, the state government implemented new laws which now require detailed mine closure planning and mandate progressive rehabilitation targets which compel companies to rehabilitate as they go to deliver better environmental outcomes for communities.





Pictured above: Campaigning against Aurizon and Pacific National involvement in Adani's rail project. © Lock the Gate
Pictured opposite page: Solar thermal power station, Spain. © Markel Redondo

Stopping Adani

The Sunrise Project was one of the co-founders of the Stop Adani Alliance and we've been proud to be working alongside our many movement allies to try to prevent this irresponsible and dangerous project from going ahead and to stop the opening of the Galilee coal basin.

The campaign against the Adani coal project has become a proxy fight over the future of coal and in 2019 it reached fever pitch. Grassroots communities all over the country were joined by school students calling for a political stop to the project. However, in the lead up to the federal election, the Adani campaign was used as a political wedge to exploit fear and insecurity in regional coal communities, rather than an opportunity to have an honest conversation about the inevitable transition beyond coal and the need to support regional communities through that transition.

While the outcome of the election gave Adani the final approvals they needed, a year on, there has been slow progress and the mine is not yet built despite Adani buying their licences nearly 10 years ago. Over 70 major companies have refused to work on or support the project and Adani have been forced to self-finance the mine because commercial banks won't touch it. Despite the financial headwinds, Adani are pushing ahead with the project, but the fight is still a long way from being over.



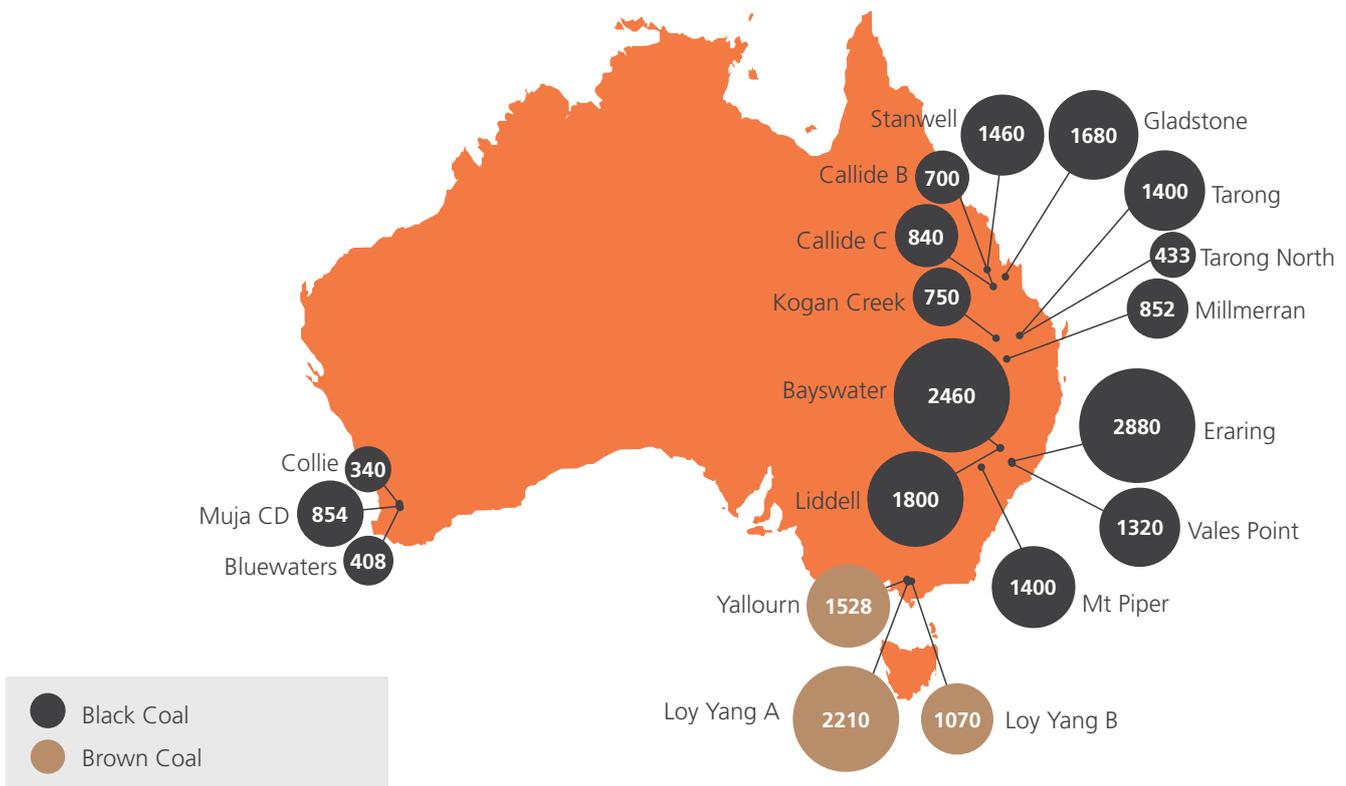
Pictured above: Origin AGM, 2019. © Lock the Gate

Frack Free Northern Territory

In the Northern Territory, approved petroleum leases for oil and gas exploration requiring hydraulic fracturing cover over a third of the landmass. Fracking companies moved quickly to gain approval for several fracking wells to be drilled during this period, despite strong community and Traditional Owner objections. We've strived to show support for the Traditional Owners and local community-led organisations working hard to protect their communities and waterways from hydraulic fracturing.

With turbulent energy dynamics taking place globally, NT fracking projects have been put on hold. Exposure to the increasing financial risks for expensive-to-extract shale gas in the Beetaloo Basin should be a growing concern for potential investors and governments alike.

Australian Coal Fired Stations and their capacity in MW



Driving the energy transition

Despite having some of the best renewable energy resources on the planet, Australia's energy system is one of the world's dirtiest. Until we decarbonise our electricity system, we cannot effectively decarbonise transport, buildings or industrial processes. It's critical that Australia replaces coal-burning electricity with renewable power, because it will provide the foundation for reducing our domestic emissions in other sectors as well as driving lower power bills for households and businesses. And as coal-burning power stations get less reliable and more expensive every year, wind and solar electricity generation and storage keeps on getting cheaper - making it even easier to do.

The challenge is now less about engineering and economics and more about overcoming the outdated mindsets and vested interests that continue to push subsidies to the coal industry and are blocking the transition to 100% renewables.

Given our abundant renewable energy resources, Australia has a clear economic advantage as the world transitions to a cleaner economy, with the potential to revitalise Australia's manufacturing industry and drive economic renewal through low cost, clean energy.

In 2019, The Sunrise Project became a founding partner of the Australia Beyond Coal Alliance which is now working to replace Australia's polluting coal power stations with 100% renewable energy by 2030. This network has helped to expose the impacts of burning coal on community health, local land and waters and in fuelling climate change. As well as prevent the Federal Government from handing taxpayers' money to coal companies to extend the life of ageing power stations.

We've also been working to align business action with the Paris Agreement. In 2019, we saw 10 major companies commit to 100% renewables before 2030, including the "big four" Australian banks, plus global players Macquarie and Atlassian. These commitments are driving real demand for renewable energy as well as helping to shift the business consensus on climate change.

Australia is leading the way in terms of investor engagement on climate change, with a growing number of climate related shareholder resolutions attracting unprecedented levels of support from institutional investors.





Peter Bosshard, Finance Program Director at The Sunrise Project, presenting at the Insurance and Climate Risk Conference organized by Environmental Finance and Insurance ERM, London, 2019.

Global Finance Program

Shifting finance is a key strategy in the global effort to transition from fossil fuels to clean energy. Policies adopted by financial institutions to limit support for fossil fuels and to privilege climate solutions are having a direct impact in the real economy and are also helping to shift the political and economic context that in turn shapes government climate policies.

Our finance program aims to hasten the shift of global finance out of fossil fuels with a focus on key actors that have the potential to catalyse system-wide change. In addition to driving focussed campaigns, we are also proud to be playing a growing role in convening and connecting the many different non-government organisations, analysts and other players that are working to shift the global finance system.

In 2019 our Global Finance Program focused on three top level goals:

1. Pressure the global insurance industry to stop underwriting fossil fuel projects
2. Drive the world's largest asset managers to divest from fossil fuels
3. Support investors to advocate for action on climate change.

In 2019, our global network, including those working in Australia, has built significant momentum with a record 44 global financial institutions adopting new or strengthening existing fossil fuel exclusion policies.

As we move into 2020, we're excited to be expanding the scope of our finance work to include banks and central banks, Chinese overseas finance and stronger support for the global ecosystem of organisations that are working to shift the finance system beyond fossil fuels. This builds on the foundation of our finance program which in 2019 focussed on the insurance industry and asset managers.

Insuring our future from coal

Insurance companies were among the first to sound alarm bells about climate change, with Munich Re highlighting climate risks as early as 1973. While the industry sees itself as part of the solution to climate change, the reality is that the insurance industry is continuing to provide insurance to coal, oil and gas projects that are at the core of the problem. At the same time, insurance companies manage roughly one third of institutional capital in the global economy and many companies continue to invest in these vast pools of capital in fossil fuel companies.

As the ultimate managers of risk in the global financial system, insurance companies are considered intellectual leaders by other investors, regulators and observers. Their decisions on coal and fossil fuels not only have a material impact but also send strong signals about the future of the sector.

The disconnection between the insurance industry's 40 years long rhetoric on climate risks and the business practices it still deploys has created a reputational risk for insurance companies that is now driving rapid change in the industry.

In 2017, The Sunrise Project initiated and co-founded the Unfriend Coal campaign which, together with our network partners, has successfully pressured the global insurance and reinsurance industry to stop underwriting coal projects and to exclude coal from their investment portfolios. With initial progress in Europe, we have expanded this work to the US with the 'Insure our Future' network and are now increasingly working to shift insurers in East Asia. We're gradually expanding this work to move beyond coal to focus on preventing insurance for oil and gas projects.

In 2019, the Unfriend Coal campaign created a domino effect in the insurance industry, with the sector's withdrawal from coal accelerating and broadening across the globe.

The number of major insurance companies ending or limiting their support for coal projects increased from seven to 19 and included non-European actors for the first time. The trend has made it more difficult and expensive for coal companies to access insurance, creating another obstacle for a dying industry. The discourse that coal is becoming uninsurable continues to grow.

Key highlights include:

- Nineteen of the world's largest insurance companies have now committed to end or limit the underwriting of coal.
- Over 13% of all primary insurers have adopted coal exclusion policies.
- Over 47% of reinsurers have adopted coal exclusion policies.
- In late 2019, AXA announced that they will totally phase out insurance and investment exposure to coal by 2030 in the EU and OECD countries, and by 2040 everywhere else. This goes beyond stopping insurance cover for new coal power stations and will help to send a signal to drive a coal phase out by 2030 in the OECD.
- In Europe, Lloyds is now the only significant insurer without a coal exclusion policy.
- In the US, Chubb became the first major US insurer to adopt a coal exclusion policy for underwriting. By the end of 2019, four major US insurers had adopted coal exclusion policies including two policies that also covered tar sands.
- The number of insurance companies divesting from coal in some form increased from 19 to at least 38. Over \$9 trillion in insurance industry assets (about 37% of all insurance assets) now have some form of coal divestment policy in place.

Coal Finance Policy Trends 2013-2019

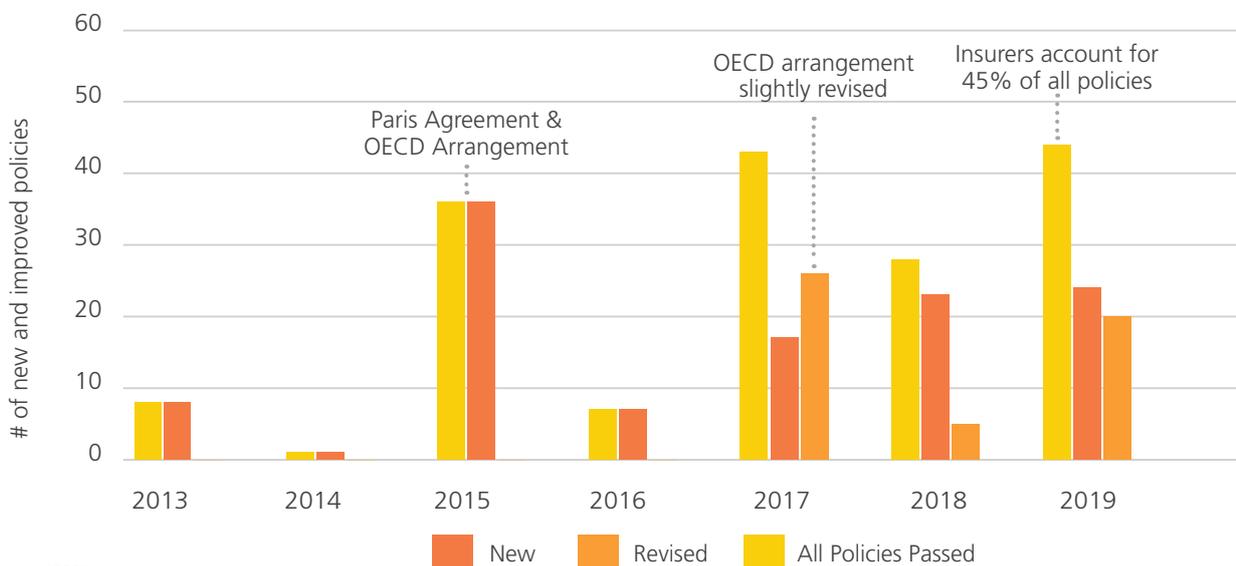
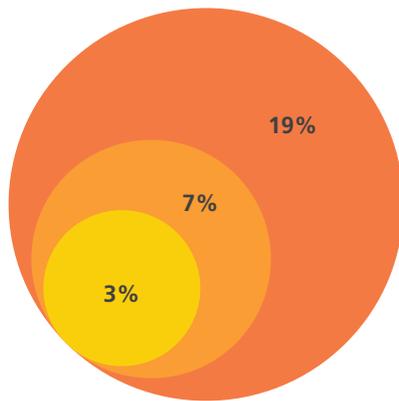
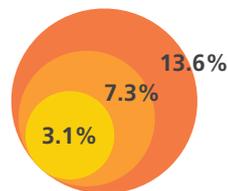


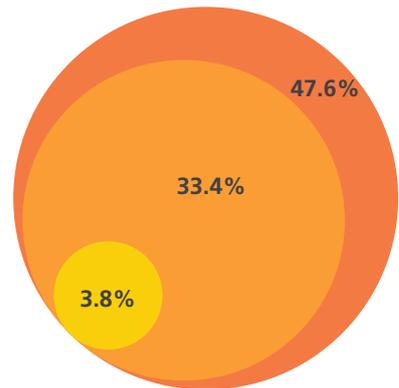
Figure 1: Coal Becoming Uninsurable



Re/Insurers limiting coal insurance
(Number)

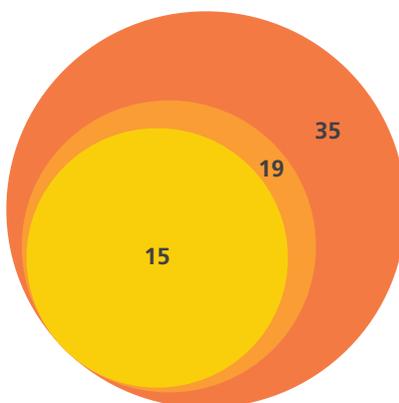


Primary Insurers limiting coal insurance
(Share of Global Non-life Premiums)

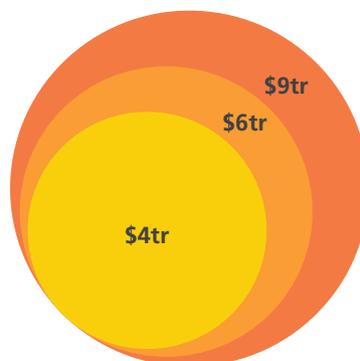


Reinsurers limiting coal insurance
(Share of Global Non-life Premiums)

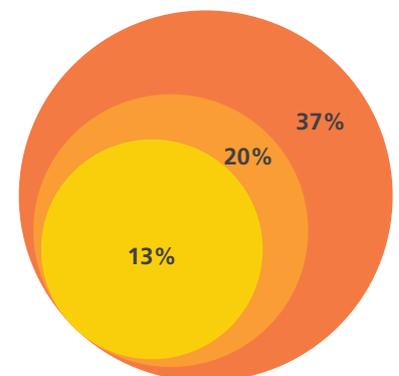
Figure 2: Insurers Divesting from Coal



Re/Insurers divesting from coal in some form
(Number)



Re/Insurance assets covered by divestment policies
(Approximate)



Re/Insurance assets covered by divestment policies
(Approx. Share of Global Insurance Assets)



Investors have emerged with a leading role in driving the climate change debate...we are seeing a significant divergence in the cost of capital of oil & gas investments. We estimate that this divergence in the cost of capital for high carbon vs. low-carbon investments implies a carbon price of US\$40-80/ton, well above most carbon pricing schemes.

Carbonomics: The green engine of economic recovery, Goldman Sachs Research Report, June 2020

Holding Asset Managers to account

The rise of a consolidated asset management sector, heavily focused on index style investing, means that an increasingly small number of companies are placing a large part of the financial system on autopilot. This is pushing the global economy towards a climate catastrophe through continued capital investments in companies driving the climate crisis. This is what we are calling the 'passives problem'.

The last decade has seen the most extraordinary concentration of wealth in history, with a small number of giant asset managers achieving unprecedented size and influence. Blackrock now manages over US\$7 Trillion in investments. Between them, the four biggest asset managers (Blackrock, State Street, Vanguard and Fidelity) control up to 25% of the voting shares in the S&P500. Until recently, these companies have largely avoided scrutiny of the climate change impacts of their investments.

In 2018, The Sunrise Project initiated and co-founded the Blackrock's Big Problem campaign. The goal of the campaign was to get the world's largest asset manager to put climate change at the centre of their investment strategy - to actively vote their shares in favour of climate action and screen out fossil fuels from their active and passive investments, starting with coal.

In 2019, our Asset Management program made considerable progress with the unprecedented announcement from BlackRock in January 2020 to put climate change at the centre of its active investing strategy. While BlackRock's announcement did not go as far as we had wanted, it went much further than we had expected, reflecting both the changing financial context around climate change as well as the scrutiny of the company's work over the previous year.

The challenge for 2020 will be ensuring that BlackRock actually lives up to its commitments, while pushing the wider asset management sector to commit to stronger action on climate change, both in terms of active stewardship and voting shares as well as screening out fossil fuels.

Pictured below: BlackRock action in San Francisco, CA © Kevin N. Hume. Pictured opposite page: Lincoln Electric Systems, Lincoln Nebraska.





Pictured above: Local communities in Sumatra are concerned about dirt from the Hong Kong-based Chinese company's Injatama coal mine flooding their river.

China energy program

In 2019 we started a new collaboration with the Asian People's Movement on Debt and Development (APMDD) to help shift Chinese overseas finance from dirty to clean energy. Through this partnership we are providing research and analysis, as well as supporting collaboration between a growing network of civil society organisations from a wide variety of countries where Chinese overseas energy finance plays a key role.

New finance strategies

We're continually exploring new strategies to have a bigger impact to hasten the transition beyond fossil fuels. As we move into 2020, we're expanding our team and developing a range of new strategies including:

- Shifting commercial and central banks out of fossil fuels
- Escalating global investor action to drive changes in corporate climate lobbying and energy investment
- A new program called 'workforclimate' that aims to support professional staff in driving climate action within their workplaces.

Funding

The Sunrise Project is proud to work with a growing number of philanthropists on a shared mission to tackle climate change and accelerate the transition to clean energy. As our program has expanded from Australia to encompass programs in Europe, Asia, and the United States, so too has the number and geographic spread of our funding partners.

In Australia, there is a growing awareness within the philanthropic community of the impact of climate change and of the need to transition to clean energy. Our Australian programs are predominantly funded by Australian donors and we're excited to be working with a growing network of Australian philanthropists to expand funding to the Australian climate movement.

Our global finance program started in 2017, with three-year innovation funding from the [Climate Breakthrough Project](#). As we move into 2020, the success of this program has enabled us to build a growing network of funding partners who we're working with to scale this program into new areas to accelerate the shift of finance out of fossil fuels.

We're grateful for the amazing network of funders and philanthropists that we work with in our shared mission to scale social movements to drive the transition beyond fossil fuels. We believe this is a critical step in solving the climate crisis.

Pictured below: Gathering outside AIG's offices to ask they not insure Adani's coal mine. © Julian Meehan



Board and Governance

Our team has continued to expand in line with our programs and in late 2019 we shifted to a co-leadership model with Deputy Director Sam La Rocca joining John Hepburn as Co-Executive Director. Further information about our team can be found on our [website](#).

In addition to our Board and staff, The Sunrise Project relies heavily on a global network of expert advisors to inform our programs.



John Hepburn, Founder and Co-Executive Director

Prior to founding The Sunrise Project in 2012, John spent ten years working in senior positions with Greenpeace Australia Pacific, where he performed a wide variety of roles, including managing the climate and energy campaign, the genetic engineering campaign, and the outreach and mobilisation department. Prior to working for Greenpeace, John co-founded several non-profit recycling businesses and worked on a wide variety of environmental campaigns at a grassroots level. John holds degrees in Manufacturing Systems Engineering and Business Management from the Queensland University of Technology and before becoming an activist worked for several years as an engineer making components for the oil, gas, coal and nuclear industries.



Sam La Rocca, Co-Executive Director

Sam brings over twenty-five years experience building people powered movements for a socially just and ecologically sane world. Sam holds a multidisciplinary degree in environmental science, and while completing his first class honours thesis on grassroots mobilisation, he co-founded activist education outfit The Change Agency to deliver social movement education, campaign strategy and organising training programs to community groups around Australia and internationally. He's worked as a senior political advisor in federal parliament and led highly successful electoral campaigns. He has facilitated movement-wide processes for the Climate Action Network Australia and Friends of the Earth International's Asia Pacific Region; and he has a strong interest in building powerful networks to catalyse system change.



Claire Mallinson, Chair

Claire joined the Board in December 2019, becoming Chair in June 2020. She brings strategic expertise, business acumen and leadership experience. Claire has a deep understanding of campaigning and the power of activism across international boundaries, with over 30 years of senior leadership experience with environmental, human rights, disability and cancer research INGOs/NGO's in Australia and around the world. Claire was the National Director (CEO) of Amnesty International Australia (AIA) for twelve years and part of Amnesty International's Global Leadership Team for a decade. As National Director Claire oversaw a 400% growth in supporters and the delivery of significant human rights wins. Claire is an advisor, coach and mentor to CEO's, senior executives and Boards and is a Member of AICD, Chief Executive Women, and Women on Boards.



Catherine Fitzpatrick, Director

An activist for decades, Catherine has worked primarily in Australia, the Pacific, Canada, China and Southeast Asia. Beginning with the 1980s Franklin campaign, she worked for the Wilderness Society for almost 8 years. Since 1996 Catherine has campaigned full-time on climate and energy issues. She was climate specialist at the David Suzuki Foundation in Canada, leading their successful air pollution and climate campaign. She then worked at Greenpeace Australia Pacific as a renewable energy campaigner before leading their climate and energy team. In Greenpeace's China/East Asia office she was an energy adviser and then Deputy Communications Director. Since 2013 Catherine has worked for Greenpeace International focusing on Audience Engagement and Campaign Strategy, primarily in Southeast Asia and Japan. Catherine joined the Board in July 2019.

Board and Governance (continued)



Aviva Imhof, Director

Aviva joined the Board in mid- 2015. She is the Deputy Director of the International Energy Programme at the European Climate Foundation (ECF), which she joined after two years with The Sunrise Project as Pacific Coal Network Coordinator for the international coal network. In this role she supported the activities of a diverse set of groups in the Pacific coal region, working to develop the support structures and infrastructure for the international coal network. Prior to joining the Sunrise Project, Aviva worked with International Rivers first as Southeast Asia Program Director and then as Campaigns Director, managing the organisation's Latin America, Southeast Asia, Africa and re-granting programs. Aviva has extensive experience in campaigning, fundraising, grants management, and financial and organisational management.



Miranda Nagy, Director

Miranda is Principal in Class Actions at Maurice Blackburn Lawyers. Her legal practice in the field of class actions is centred on corporate governance, market integrity and consumer protection. She has a long standing interest in environmental protection and has advised and conducted litigation on behalf of environmental organisations on many occasions.



Erna de Vries, Director

Erna is a retired petroleum geologist and financial analyst with a keen interest in sustainability and corporate ethics. She studied Earth Sciences and worked as a geologist with international oil and gas companies including Shell, BHP and Ampolex. After working in the Netherlands, UK and Brunei, her career brought her to Australia. Erna obtained her MBA in Sydney and went on to work as a senior executive in corporate and institutional banking with Bankers Trust and then Westpac as Head of Resources Research and Commonwealth Bank as a senior risk manager. She has been involved in the financing decisions of many major mining and energy projects. For the last 15 years Erna has been an active volunteer in various local community campaigns.



Julie Lyford OAM, Director

Julie Lyford OAM is a strong, dedicated and experienced advocate for rural and regional communities. As a former registered nurse, local councillor and mayor, Julie is committed to the core values that build progressive and resilient societies. Her priorities are sustainable, liveable communities with fair, transparent and trustworthy political processes. Julie has extensive board and decision-making experience with Hunter Councils, Regional Development Australia (Hunter), Midcoast Water, Upper Hunter Arts, tourism and economic development committees. As a young mother concerned about climate change, Julie co-founded the Gloucester Environment Group in 1990 and went on to chair Groundswell Gloucester; a volunteer team protecting the Gloucester and Manning Valley from coal and coal seam gas extraction.

Financial Statements

The Sunrise Project Australia Limited
ABN: 65 159 324 697

Statement of financial position as at 31 December 2019

	2018	2019
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	4,575,877	4,676,030
Trade and other receivables	296,894	436,317
Other current assets	63,822	25,955
TOTAL CURRENT ASSETS	4,936,593	5,138,302
NON-CURRENT ASSETS		
Plant and equipment	22,740	35,650
Right of use assets		204,522
Other assets	0	43,250
TOTAL NON-CURRENT ASSETS	22,740	283,422
TOTAL ASSETS	4,959,333	5,421,724
CURRENT LIABILITIES		
Trade and other payables	71,252	174,736t
Lease liabilities		149,245
Other liabilities	-	-
Short-term provisions	78,227	99,781
TOTAL CURRENT LIABILITIES	149,479	423,762
NON-CURRENT LIABILITIES		
Lease liabilities		61,475
Provisions	10,742	23,694
TOTAL NON-CURRENT LIABILITIES	10,742	85,169
TOTAL LIABILITIES	160,221	508,931
NET ASSETS	4,799,112	4,912,793
EQUITY		
Accumulated surplus	4,799,112	4,912,793
TOTAL EQUITY	4,799,112	4,912,793

Financial Statements (continued)

The Sunrise Project Australia Limited
ABN: 65 159 324 697

Statement of profit and loss and other comprehensive income for the year ended 31 December 2019

	2018	2019
	\$	\$
REVENUE		
Grants and donations	9,693,440	12,498,886
Other income	152,736	132,272
TOTAL REVENUE	9,846,176	12,631,158
EXPENSES		
Grant funding and donation expenses	(5,370,905)	(8,799,649)
Program expenses	(2,012,965)	(2,449,638)
Operations and administration expenses	(902,282)	(1,268,190)
Other expenses	0	0
TOTAL EXPENSES	(8,286,152)	(12,517,477)
NET SURPLUS / (DEFICIT) FOR THE YEAR	1,560,024	113,681
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	1,560,024	113,681

Note: The financial statements have been extracted from the audited financial statements.



sunriseproject.org.au

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