ARBITRATION STRATEGIES FOR RESOLVING CLIMATE CHANGE AND SUSTAINABILITY DISPUTES IN COMMERCIAL TRANSACTIONS

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I. INTRODUCTION

Climate change disputes revolve around legal conflicts and contentions that arise due to the multifaceted impacts and drivers of climate change. These disputes manifest in various forms, ranging from contentious debates over regulatory compliance to complex battles over financial liabilities. They include cases where entities, be they corporations, governments, or individuals, may be accused of failing to adhere to environmental regulations aimed at mitigating climate change, often related to greenhouse gas emissions and pollution controls. Climate adaptation disputes may emerge over decisions regarding land use and infrastructure development in areas vulnerable to sea-level rise and extreme weather events, with property rights and resource allocation often at the heart of these disagreements. Moreover, financial disputes can center on determining responsibilities and compensations for climate-related losses, such as claims for insurance or litigation against entities seen as contributing to climate change through activities like fossil fuel production. Notably, public interest litigation also plays a role, as individuals and organizations sue governments and corporations for perceived inaction or inadequate measures in addressing climate change and safeguarding the environment. Furthermore, conflicts may arise concerning the allocation and utilization of resources affected by climate change, including disputes over water rights in regions facing prolonged droughts or disagreements over land use for agriculture or conservation.

On the other hand, sustainability disputes encompass a broad spectrum of disagreements related to the principles and practices of sustainability, a concept that seeks to balance environmental stewardship, social equity, and economic viability. Environmental conservation is a focal point, with disputes over land use, natural resource management, and wildlife protection often arising as communities and stakeholders grapple with competing interests. Corporate responsibility disputes involve allegations of greenwashing or insufficient commitment to sustainable business practices, where stakeholders challenge the authenticity of a company's sustainability claims, particularly in marketing and operational

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practices. Sustainability disputes can also involve social equity issues, such as debates over fair labour practices, social justice, access to education, and community development, as the pursuit of sustainable practices often carries a social responsibility. Resource management conflicts may revolve around sustainable usage and equitable distribution of natural resources like fisheries, forests, and water sources. Additionally, consumer rights can be implicated when products or services are marketed as sustainable or eco-friendly, leading to disputes when consumers believe they are being deceived by companies claiming to prioritize sustainability. International law and governance are essential for climate change and sustainability disputes. These structures allow governments and parties to collaborate on global issues. International agreements like climate accords set norms and commitments. International governance systems also check compliance, resolve disputes, and promote cooperation. Environmental justice and sustainability can be integrated into international legal frameworks to reduce climate change disputes and promote global sustainability. In sum, climate change and sustainability disputes are becoming increasingly prominent and complex in an era where environmental concerns and sustainable practices are at the forefront of global discussions and policy agendas. These disputes transcend legal and ethical dimensions, requiring innovative and multifaceted solutions to address the challenges of our rapidly changing world.

II. INSTANCES OF CLIMATE CHANGE AND SUSTAINABILITY DISPUTES

Disputes pertaining to climate change and sustainability cover a wide range of legal issues, and it can be relatively difficult to clearly define what these issues are. On the other hand, a helpful description of climate change disputes is provided in the International Criminal Court Commission Report titled "Resolving Climate Change Related Disputes through Arbitration and ADR".[1] This description defines such disputes as any conflicts that arise from or are related to the effects of climate change, climate change policies, the United Nations Framework Convention on Climate Change ["**UNFCCC**"], and the Paris Agreement. In recognition of the fact that these disagreements frequently encompass a variety of other unique issues that belong under the tent of sustainability, we have adopted this expansive approach by including the word 'sustainability' in our definition. For instance, human rights and basic rights are inextricably linked to climate change and are negatively impacted by it,

[1] International Chamber of Commerce, *Resolving Climate Change Related Disputes through Arbitration and ADR* (2019), https://iccwbo.org/wp-content/uploads/sites/3/2019/11/icc-arbitration-adr-commission-report-on-resolving-climate-change-related-disputes-english-version.pdf.

despite the fact that these two categories are typically thought to be distinct from one another. Those keeping an eye on the trends in climate change disputes have correctly predicted that there will be a rise in arguments that are basic rights challenges wrapped around climate change issues.[2] This tendency is expected to pick greater steam in the years to come, particularly given the success these arguments have already demonstrated to some extent. Similarly, a variety of other factors influence biodiversity and land degradation concerns, which are influenced by climate change and thus intensify its aftermath. In essence, the term "climate change" has become overly restrictive in and of itself. It might be difficult to define climate change and sustainability disputes precisely because they involve many legal problems. Nonetheless, a useful explanation found in the ICC Commission Report titled "Resolving Climate Change Related Disputes through Arbitration and ADR" presents a comprehensive viewpoint, characterizing these disputes as any disagreements resulting from or connected to climate change policies, the Paris Agreement, the UNFCCC or their effects. We take this wide approach and include 'sustainability' in our definition, acknowledging that these disagreements frequently encompass a number of additional unique issues that are included under the more general sustainability heading. For instance, human rights and basic rights are inextricably linked to and damaged by climate change, although being typically seen as two distinct categories. The statement highlights the interconnectedness of human rights and basic rights and emphasizes that climate change is a significant factor that can affect and potentially harm both domains, challenging the conventional separation between these two categories of rights. This perspective underscores the need for integrated approaches to address the complex and interrelated issues arising from climate change and its impact on human well-being.

In light of these intricacies, it is more pragmatic to adopt the methodology employed by Justice Potter Stewart of the United States Supreme Court when delineating the term "obscenity": "you know it when you see it."[3] Furthermore, it can be advantageous to classify disputes regarding climate change and sustainability according to practical distinguishing characteristics. As an illustration, the subsequent classifications may be employed, mirroring the methodology employed by the ICC Taskforce when deliberating on such conflicts[4]:

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[2] UN Environment Programme, *Climate litigation more than doubles in five years, now a key tool in delivering climate justice*, UNEP (July 27, 2023), https://www.unep.org/news-and-stories/press-release/climate-litigation-more-doubles-five-years-now-key-tool-delivering.

[3] Rosen J, *The O'Connor Court: America's Most Powerful Jurist*, N.Y. TIMES, June 5, 2001.

[4] International Chamber of Commerce, *Arbitration Rules Mediation Rules* (2021), https://iccwbo.org/wp-content/uploads/sites/3/2020/12/icc-2021-arbitration-rules-2014-mediation-rules-english-version.pdf.

i. Legal actions taken to require or alter behaviour or regulations connected to climate change.
ii. Legal actions taken to obtain monetary reparations for losses attributable to the effects of climate change.
iii. Legal issues resulting from the current industry changes in the energy and other large businesses.
iv. Contentious situations brought on by meteorological phenomena linked to climate change.
v. Conflicts arise between host countries and foreign investors.
vi. Conflicts arise between nations and other international entities.

Because the function of arbitration differs substantially in accordance with the characteristics of the conflict, these classifications are established, with arbitration assuming a more conspicuous position in classifications 'iii' to 'vi'. This is predominantly due to the fact that claims classified as 'I' and 'ii' pertain to statutory, constitutional, or administrative legislation as opposed to contractual arrangements. As a result, these conflicts are typically resolved in political arenas or national tribunals. Generally, public interest organizations lack legal status in arbitration proceedings due to the contractual nature of the process. Exceptions include situations in which non-parties petition to intervene as amicus curiae in investment arbitration or in commercial arbitration with the consent of the parties. Additional complications may arise regarding the arbitrability of certain disputes that fall within the initial two classifications.

III. DISPUTES RELATING TO TRANSITION, ADAPTATION, MITIGATION, OR RESILIENCE ACTIVITIES IN CONTRACTS

Contractual disputes emerging from transition, adaptation, mitigation, or resilience efforts are legal conflicts or disagreements arising from contractual agreements meant to address and respond to the difficulties posed by climate change and environmental sustainability. These disputes typically involve various aspects of the contract, including its interpretation, performance, or breach, in the context of activities aimed at managing, responding to, or mitigating the impacts of climate change and enhancing resilience.[5]

[5] Söderholm P, *The Green Economy Transition: The Challenges of Technological Change for Sustainability* (2020) 3 SUSTAINABLE EARTH, https://sustainableearthreviews.biomedcentral.com/articles/10.1186/s42055-020-00029-y#citeas.

i. *Transition Activities*: Contracts related to transition activities often focus on shifting from traditional, carbon-intensive practices to more sustainable and environmentally responsible approaches. Disputes in this category may arise when one party believes the other is not fulfilling its obligations to transition towards greener technologies, reduce carbon emissions, or meet sustainability targets outlined in the contract.

ii. *Adaptation Activities*: Contracts aimed at adaptation typically involve preparing for and responding to the inevitable effects of climate change, such as sea-level rise, extreme weather events, and changing environmental conditions. Disputes here may revolve around the adequacy of adaptation measures, such as disputes over the design and construction of climate-resilient infrastructure or disagreements regarding the allocation of resources for adaptation projects.

iii. *Mitigation Activities*: Contracts related to mitigation involve efforts to reduce greenhouse gas emissions, limit environmental damage, and combat climate change directly. Disputes in this context may emerge when parties disagree on the extent to which emission reduction targets have been achieved, the effectiveness of mitigation technologies, or the allocation of costs and responsibilities for mitigation efforts.

iv. *Resilience Activities*: Resilience contracts focus on building the capacity to withstand and recover from climate-related events. Disputes in this category can pertain to the design, construction, or maintenance of infrastructure and systems that enhance a community's or an organization's ability to bounce back from climate-related challenges.[6]

These disputes can take various forms, including disagreements over the quality of work, delays in project completion, cost overruns, compliance with environmental regulations, and the allocation of financial responsibilities for climate change-related activities. Resolving these disputes often requires a nuanced understanding of both the contract's terms and the unique challenges presented by climate change and sustainability considerations.

Moreover, as the legal landscape evolves to address climate change and sustainability, these disputes may also encompass issues related to regulatory changes, environmental standards, and the enforcement of sustainability commitments made in the contract. Arbitration and alternative dispute resolution methods are increasingly used to address these complex and evolving issues, providing flexibility and confidentiality in resolving disputes related to

[6] *Id.*

transition, adaptation, mitigation, and resilience activities while aligning with the broader goals of environmental responsibility and sustainability.

IV. INTERNATIONAL GREY AREA ON TRANSITION, ADAPTATION, MITIGATION, AND RESILIENCE CONTRACT DISPUTES

The IPCC Special Report on 1.5°C global warming called for "swift, comprehensive, and unparalleled transformations across all facets of society." This includes notably, "rapid and extensive transitions in land, energy, industry, buildings, transport, and cities."[7] Whether taken individually or collectively, these transitions will have profound ramifications on every facet of private, commercial, and public enterprises. A century ago, transitions in energy, industry, and transportation ushered in transformative societal changes. For instance, the introduction of the automobile revolutionized travel, industry, trade, and urban development. Modern transitions aimed at mitigating and adapting to climate change, with a particular emphasis on the energy sector, require a similarly radical reorganization of the way societies, cities, industries, and lifestyles are structured and managed. What sets these transitions apart is the unprecedented pace at which they are occurring, a feat never before attempted in human history.

It is evident that significant financial investment is required to achieve these shifts. According to a recent IEA analysis, achieving net-zero emissions by 2050 will necessitate a threefold increase in global renewable energy expenditure over the current level, reaching nearly USD $4 trillion by 2030.[8] By 2030, widespread deployment of sustainable energy technologies such as renewables and electric cars, as well as significant investment in research and development of new technologies, are required. It should be noted that this cost is specific to the energy transition; other large businesses experiencing changes will also necessitate significant investment. Furthermore, according to the 2020 UNEP Adaptation Gap Report, the costs of adaptation—which include measures to increase a nation's or community's resilience to the effects of climate change—are estimated to be around USD $70 billion per year in developing countries, rising to USD $140-300 billion by 2030 and USD $280-500 billion by 2050.[9]

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[7] IPCC, *Global Warming of 1.5°C.An IPCC Special Report on the Impacts of Global Warming of 1.5°c above Pre-Industrial Levels and Related Global Greenhouse Gas Emission Pathways, in the Context of Strengthening the Global Response to the Threat of Climate Change, Sustainable Development, and Efforts to Eradicate Poverty,* CAMBRIDGE UNIVERSITY PRESS.
[8] *Supra* note 5.
[9] *Id*.

While these transitions offer substantial opportunities for industries and businesses, they also introduce a heightened risk of disputes. This heightened dispute risk arises from several factors. First, as the volume of transactions escalates, a certain percentage is inevitably prone to disputes. Second, the unique characteristics of these transactions, involving innovations, new collaborations, technologies, infrastructure, and rapidly evolving regulatory frameworks, create a fertile ground for disputes. Moreover, the pace of these transitions is a crucial factor influencing the risk profile, given that rapid, large-scale disruptions are susceptible to errors. Global investment is complex, and the link between broad-scale financial endeavours and specific dangers that lead to disputes is often unclear. Investment uncertainty shapes potential conflicts. Investors must manage cross-border transactions and varied economic contexts, where market dynamics, regulatory changes, and geopolitical upheavals can cause ambiguity and disagreements. Understanding uncertainty's tremendous impact in this setting is essential for understanding how global investment strategies relate to dispute risks. Unravelling uncertainty reveals investors' concerns and complexities, highlighting potential disagreement triggers and the need for robust dispute resolution procedures in the global economy.

In this environment, international arbitration has emerged as the preferred conflict resolution procedure for many industries undergoing transformations, including energy, natural resources, infrastructure, and transportation. This preference is supported by statistics from major arbitral institutions, demonstrating a consistently high proportion of disputes related to these sectors. International arbitration is also favoured for cross-border transactions, especially when states or state-owned entities or emerging markets are involved, which is common in energy, natural resources, and infrastructure. Arbitration provides anonymity and privacy, which are significant factors, particularly in technology and innovation contracts. Many climate change and sustainability issues are extremely technical, making arbitration preferable to litigation since parties can choose arbitrators with relevant subject matter expertise. This preference for arbitration is backed up by a 2019 SCC Report on 'Green Technology conflicts in Stockholm,'[10] which said that an increasing number of green technology companies are turning to arbitration to settle their conflicts. As a result, many disputes resulting from industrial transitions, adaptation, and resilience operations end up in international arbitration processes.

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[10] SCC Arbitration Institute, *Green Technology Disputes at the SCC Arbitration Institute,* https://sccarbitrationinstitute.se/sites/default/files/2022-12/report_green_technology_disputes.pdf.

A. Illustrative instances of arbitration proceedings concerning contractual matters pertaining to activities associated with transition, adaptation, mitigation, or resilience.

Arbitration cases within the context of climate change and sustainability-related issues can be varied and complex. The SCC (Stockholm Chamber of Commerce) Report[11] presented several cases as illustrations of the types of disputes that frequently emerge in these areas:

i. *Renewable Energy Facilities Disputes***:** Over 60% of the green technology disputes analyzed in the SCC Report[12] pertained to renewable energy facilities, including wind farms and biogas installations. These disputes often revolved around questions of whether the facility met the contractual standards, such as the agreed-upon power production or measures to prevent environmental risks.

ii. *Construction-Related Disputes*: Conflicts over quality, who is responsible for extra expenses, the calibre of the work, and project delays are common in the construction industry and can result in claims for liquidated damages. Notably, a well-known instance involving the Hidroituango hydroelectric dam failure in Colombia, which caused a significant flood, sparked legal battles demanding hefty settlements from project participants.

iii. *Financing Disputes*: Recent global and regional upheavals have sometimes left companies struggling to secure financing for projects. These financial challenges can lead to project delays or, in some cases, contract terminations, ultimately leading to arbitration proceedings.

iv. *Disputes Related to Financing Climate Change and Sustainability Projects***:** These conflicts cover a wide range of topics, such as disagreements over the technical requirements for obtaining funding connected to sustainability or the green economy, the proper use of money related to climate change or sustainable finance, and disputes resulting from carbon credits or emissions trading schemes. A Danish engineering company that was awarded a $150 million SCC award in an arbitration pertaining to a contract for lowering carbon emissions at gas pipes is one example given in the SCC Report. The project's goal was to produce carbon credits in accordance with the Kyoto Protocol. However, the Russian businesses involved neglected to register it in time, which resulted in a disagreement.[13]

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[11] Global Arbitration News, *Stockholm Chamber of Commerce Publishes Report on Investor State Arbitration*, BAKER MCKENZIE (2017) https://www.globalarbitrationnews.com/2017/03/07/3274-2-03072017/.
[12] *Id.*
[13] *Supra* at 10.

v. *Supply and Delivery Disputes*: These disputes often involve performance, delivery, quality, and quantity issues, particularly in commodities. Fluctuations in commodity prices, influenced by climate change and transition activities, further complicate matters. For instance, extreme weather conditions can disrupt the sourcing and transportation of commodities, impacting supply and demand.

vi. *Contract-Based Disputes***:** The SCC Report[14] cited several contract-based disputes, including the unpaid delivery of wind energy converters, requests for payment for consulting services associated with the issuance of shares for an organic food producer, and conflicts arising from distribution agreements. Additionally, it is recommended to be well-prepared for potential commercial disputes in the context of licensing, partnerships, and sustainability and climate change initiatives.

vii. *Government Contracts and State Entities*: Contractual conflicts between governments and state-owned entities are anticipated to develop if governments invest in projects connected to energy and other industry transitions or mitigating the effects of climate change. For instance, after the government of Lesotho declined to carry out a contract to buy solar energy equipment, a German renewable energy company filed for ad hoc arbitration against the country. A $400 million USD ICC claim has been made against Nigeria for allegedly breaking a settlement linked to a hydroelectric project. A comparable conflict arose in the Dominican Republic with a wind energy complex, as the government-owned electricity provider declined to formally establish a power purchase deal.[15]

viii. *Infrastructure Disputes*: Infrastructure-related disputes may increase, particularly in the case of initiatives involving transitions. A wind farm cooperation agreement, for instance, was subject to arbitration in the event of a default event resulting from a failure of the grid connection. A separate case involved a Chinese-owned company that threatened arbitration by alleging commissioning delays and making counter-allegations regarding the impact on the local infrastructure of a USD $2.2 billion power transmission project as part of the Belt and Road Initiative.[16]

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[14] *Supra* at 9

[15] Philippe Hameau et al., *Energy Arbitration in Africa*, GLOBAL ARBITRATION REVIEW (Apr. 21, 2023), https://globalarbitrationreview.com/review/the-middle-eastern-and-african-arbitration-review/2023/article/energy-arbitration-in-africa.

[16] Simon Bianchi, *Offshore Wind - a Rise in Disputes in an Industry at the Crossroads*, LEXOLOGY (Oct. 10, 2023), https://www.lexology.com/library/detail.aspx?g=21bebeb1-aaf0-4e54-a011-f23fff4f0a9.

These examples highlight the diverse range of disputes that arise in the context of climate change, sustainability, and industry transitions, making arbitration a critical mechanism for resolving complex and multifaceted conflicts in these rapidly evolving fields.

V. CONTRACTS AFFECTED BY CLIMATE CHANGE AND SUSTAINABILITY ISSUES

Climate change is already having an effect on the economic world, and it will eventually have an impact on contractual agreements. Insurance company reports show a significant increase in losses attributable to extreme weather events, with an increasing correlation between climate change and the frequency and severity of these catastrophes. Concerns about climate change go beyond its physical effects, as these effects are predicted to worsen in the years to come. Transitional effects, including the loss of current markets or the entry of new competitors, are anticipated, along with legal and regulatory ramifications like difficult permit renewal processes or stricter corporate regulations that can have a major negative impact on profitability.[17]

There are several instances in which weather-related problems might negatively impact contracts and lead to business disputes. Claims of force majeure, frustration, or contract termination because of weather-related occurrences' disruptive influence are clear examples. Insurance-related disputes are also expected to rise as businesses deal with the fallout from catastrophic weather occurrences. As we addressed in our article on supply chain disputes in this issue, the recent COVID-19 outbreak highlighted the vulnerability of supply systems and offered a peek at the possible global disruption that climate change could bring. Furthermore, shifts in policy, technology, and the heightened physical risks posed by climate change can lead to a re-evaluation of the value of various assets. As the costs and opportunities associated with these changes become more apparent, they may trigger contractual defaults or result in assets being classified as distressed or stranded. In response to emerging risks, parties involved in contracts will naturally seek ways to mitigate and allocate these risks among themselves through contractual provisions. It is worth mentioning that a considerable number of contracts currently incorporate clauses or warranties pertaining to adherence to sustainability, human rights, or environmental obligations. Additionally, the parties agree to

[17] Antonio Grimladi et al., *Opportunity and Threats of Climate Change on Insurance*, MCKINSEY (Nov. 19, 2020), https://www.mckinsey.com/industries/financial-services/our-insights/climate-change-and-p-and-c-insurance-the-threat-and-opportunity.

establish back-to-back agreements with counterparties downstream. Consequently, conflicts that may arise due to these provisions are essentially unavoidable.[18]

Once again, commercial arbitration is expected to be the preferred mechanism for resolving these contractual disputes. As the effects of climate change continue to manifest globally, there is anticipated growth in the number of disputes brought to arbitration, as it offers flexibility, confidentiality, and expertise in handling complex climate change and sustainability-related disputes.

A. Examples of Arbitration on contracts affected by Climate Change and sustainability.

In the wake of the severe storms that struck Texas in early 2021, causing widespread power blackouts, disruptions in the oil and gas industry, frozen pipelines, and a significant surge in the price of natural gas, a series of disputes emerged, underscoring the role of arbitration in addressing climate-related issues and infrastructure challenges.

i. *Power Outages and Gas Price Surge in Texas***:** Extensive power outages caused by Texas's extreme weather impact several industries, especially the energy sector. In addition, there was a sharp rise in natural gas prices. The impact of this spike in gas prices went beyond Texas; it was especially felt in nations like Mexico that import natural gas from the US. A US investment bank filed for international arbitration against Mexico's state electricity provider in reaction to these events. Under a gas purchase agreement, the bank attempted to collect USD $400 million in debt, claiming that the debt was caused by sharp increases in the daily gas price rate relative to the monthly rate. The utility contested the payment increase, citing it as a consequence of an unforeseen event and raising allegations of other discrepancies in the agreement.[19]

ii. *Infrastructure Damage Disputes*: The severe storms also wreaked havoc on critical infrastructure in Texas, including ports and railway lines, resulting in extensive damage due to flooding. These infrastructure damages led to disputes between the impacted transport companies and the state, particularly regarding liability for the repair costs and whether the flooding should be categorized as an event of force

[18] IPCC WORKING GROUP II, CLIMATE CHANGE 2007: IMPACTS, ADAPTATION AND VULNERABILITY 811-841 (Cambridge University Press 2007).

[19] Keith Everhart et al., *Severe Power Cuts in Texas Highlight Energy Security Risks Related to Extreme Weather Events – Analysis*', INTERNATIONAL ENERGY AGENCY (Feb. 18, 2021), https://www.iea.org/commentaries/severe-power-cuts-in-texas-highlight-energy-security-risks-related-to-extreme-weather-events.

majeure. The inability to reach a mutual agreement on these matters prompted some of these disputes to be referred to arbitration and litigation, highlighting the role of alternative dispute resolution mechanisms in addressing climate-related infrastructure challenges.[20]

These examples illustrate the diverse range of disputes arising from climate-related events, infrastructure damage, and financial implications, with arbitration being a key mechanism for resolving complex and multifaceted issues that arise in the aftermath of such events. In cases like these, arbitration provides a flexible and effective means of addressing disputes, particularly when parties involved cannot reach a consensus on issues related to liability, contractual obligations, and unforeseen events.

VI. CONCLUSION AND RECOMMENDATIONS

Climate change is no longer a distant environmental concern; it has become an integral part of the economic landscape, necessitating adaptation by both state and corporate entities. As a result, climate change and sustainability disputes have emerged as a new corporate reality and addressing them effectively is crucial in the modern business world.

It is imperative to recognize that no transaction is devoid of risk. However, parties should approach every transaction with foresight and consider dispute resolution strategies from the outset. One of the primary mechanisms for managing these risks is a well-drafted arbitration agreement. Arbitration, as a neutral and flexible forum, provides access to expert adjudicators and is well-suited to take a central role in resolving the growing number of climate change and sustainability disputes arising from contractual relationships.

To effectively navigate the evolving landscape of climate change and sustainability, the following recommendations should be considered:

i. *Early Dispute Resolution Mitigation*: Parties should integrate dispute resolution mitigation and resolution strategies into the initial stages of every transaction. Well-crafted arbitration agreements, tailored to the specific needs and potential risks, can serve as a cornerstone for risk allocation and dispute resolution.
ii. *Conducting Risk Audits*: Companies should regularly conduct climate change and sustainability dispute risk audits, assessing the impact of climate-related factors on

[20]James Neumann and Jason Price, *Adapting to Climate Change: The Public Policy Response – Public Infrastructure,* RESOURCES FOR THE FUTURE (June 1, 2009), https://rosap.ntl.bts.gov/view/dot/17294.

their global and regional operations. Identifying potential disputes early can help devising proactive measures to mitigate risks and enhance preparedness.

iii. *Establishing Dispute Protocols*: Proactive protocols for dealing with disputes as they arise should be established. These protocols should outline clear steps for addressing disputes promptly, efficiently, and collaboratively. Quick and informed responses can save valuable time, reduce costs, safeguard reputations, and maintain positive relationships with counterparties, which is especially critical in long-term contractual arrangements involving substantial investments.

In conclusion, addressing disputes related to climate change and sustainability at the outset of transactions is the most effective strategy for averting a climate change dispute disaster. By taking these proactive steps, businesses and organizations can not only safeguard their interests but also contribute to the broader goal of sustainable and responsible business practices in an ever-changing global landscape.