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"The Fiduciary Duty of Corporate Directors to Protect the Environment for Future Generations"

Saxe, Diane

Saxe, Diane. "The Fiduciary Duty of Corporate Directors to Protect the Environment for Future Generations," *Environmental Values* 1, no. 3, (1992): 243–52. doi:10.3197/096327192776680070 .

The "business judgement rule" requires corporate directors only to act with honesty and reasonable care in the interest of shareholders. A stronger "fiduciary" duty is required where one party requires protection from another. This paper argues that where corporations take risks with the environment, directors are fiduciaries. Stakeholders are in that case the general public, future generations, and other species, which have not voluntarily accepted risk and cannot limit liability. Recognition of fiduciary duty in such cases is consistent with recent trends in the law of equity. It would require all economic activities to move from open to closed (sustainable) systems.

— Text from The White Horse Press website

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