

ARE MARKETS CORRECTLY PRICING CLIMATE RISK?

NBIM sponsored study says not enough evidence

Norges Bank Investment Management (NBIM) – the Norwegian central bank – sponsored a new report entitled *Potential Climate Risks in Financial Markets: A Literature Overview*. It examined whether or not there is enough evidence to tell whether financial markets are correctly pricing climate risk. The report found that there is not yet enough evidence. A review

of literature by University of Oslo PhD candidate Ingrid Hjort found that “the results from these few studies are not enough to draw an overall conclusion whether financial markets optimally and rationally price the climate risk,” she notes. It was “unclear whether the market reactions are consistent with rational market valuation of the climate risk”.

Please find the 94-page review [HERE](#)

HAVE YOU SEEN?

The [Sea Level Rise Viewer](#)? The interactive tool simulates various sea level rise scenarios (from one to six feet above the average highest tides) and the corresponding areas that would be impacted by flooding.

@SICMGMT TWEET OF THE WEEK

“Carbon risk is more of an issue for investors today than ever... But most fail to take it properly into account” <http://www.ipe.com/analysis/...>

ERADICATING DISEASE: IT'S NOT ALL BAD NEWS

Zika is dominating the headlines. This week the mosquito-borne Zika virus was declared a [global health emergency](#) by the World Health Organization (WHO). The WHO said last week the Zika virus was “spreading explosively” and could infect as many as 4 million people in the Americas. But if the news feels a little grim lately, consider this: in the 1980s the Guinea worm disease afflicted

3.5 million people a year in 20 countries in Africa and Asia. But last year that number was down to just 22. This is in large part to a 30-year campaign led by the Carter Centre which helped to break the cycle of transmission by stopping the larvae reaching copepod-inhabited water, and stopping people ingesting infested copepod. [READ MORE](#)

THIS WEEK IN NUMBERS

9,000

resolutions were voted against by Norway's \$810bn oil fund

1,000

electric scooters will be made available in Paris this summer for public use

350

jobs are expected to go at CSIRO (Commonwealth Scientific and Industrial Research Organization) in Australia, focused on climate and land & water scientists

300

contagious diseases have emerged or re-emerged since the discovery of Zika in 1952

157

sq. miles (407 sq. km) is the size of the site of the world's largest offshore wind farm, off the UK's coast

94%

of new US power capacity built since 2000 has come from natural gas and renewable energy

43

billion US Dollars is the value of ChemChina's bid for seed and pesticide giant Syngenta

4

is the number of thermal coal companies which are to be divested by The California State Teachers' Retirement System (Calstrs)

ANOTHER STEP FORWARD IN SUSTAINABILITY REPORTING



The Association of Accountants and Financial Professionals in Business

The Sustainability Accounting Standards Board (SASB) and IMA® (Institute of Management Accountants) announced a new Memorandum of Understanding (MoU) this week which will outline the basis for ongoing “cooperation, collaboration and alignment” between the two organizations. From the [press release](#): “Performance on non-financial

issues, including sustainability, impacts the financial performance of companies, and as such, is becoming a larger part of the role of accountants and financial professionals. IMA – as a global accounting association focused on the mutual dependency of accounting, finance, operations, technology, strategy, standards, ethics and leadership in the value chain – is uniquely positioned to help its members understand and prepare for this evolution.”

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LONG TERMISM TAKES CENTER STAGE

Two major things happened this week to support the idea of ‘long termism’.

The world’s largest asset managers – including JPMorgan Chase’s Jamie Dimon and Warren Buffet – held secret summit meetings to discuss best practices in corporate governance and hammer out [proposals](#) for “improving public company governance to encourage longer-term investment and reduce friction with shareholders.”

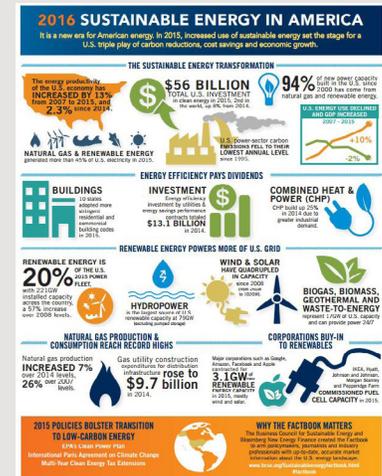
Also, Larry Fink, the chief executive at BlackRock, the world’s biggest investor with USD 4.6 trillion, sent a letter to chief executives at S&P 500 companies and large European corporations urging them to focus less on quarterly earnings and more on long term value. “Annual shareholder letters and other communications to shareholders are too often backwards-looking and don’t do enough to articulate management’s vision and plans for the future,” he notes.

BELIEVE IT OR NOT

You really have to see this to believe it: A 55-foot-tall glass ‘church’ was built in Taiwan to attract women.

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Infographic of the week



2016 Sustainable Energy In America
[READ MORE HERE](#)

WHAT WE'RE READING



BMC Public Health: Simulating the impact on health of internalising the cost of carbon in food prices combined with a tax on sugar-sweetened beverages
[READ HERE](#)