

## IS A GLOBAL AGREEMENT ON CUTTING GHGs IMMINENT?

It appears that a global agreement on cutting the use of hydrofluorocarbons (HFCs), a common and potent greenhouse gas emission (GHG) may be in the works after this week's climate change [talks](#) in Vienna, which

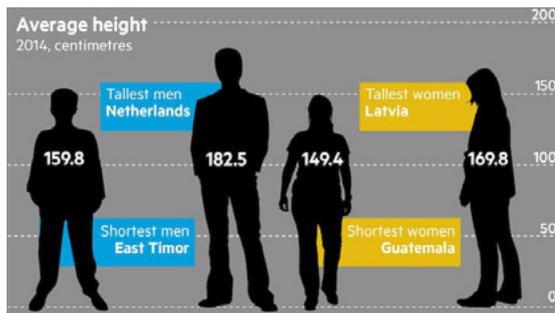
brought together over 200 countries. HFCs are commonly found in air conditioners and refrigerants. It was agreed that HFCs need to be eliminated, and the group is now hammering out details and timetables. [READ MORE](#)

### @SICMGMT TWEET OF THE WEEK

 @ChiefInvOfficer: 50 Things That Matter - #33 ESG. If you're serious abt managing the long-term risks to your portfolio, ESG issues matter

### GRAPHIC OF THE WEEK

The world's population is getting taller on average, but it's unevenly distributed. The fastest increases in average height have taken place in a belt stretching across continental Europe, the Middle East and temperate parts of Asia.



Source: FT

## REWIND: MORE ON SHAREHOLDER ACTIVISM

We reported last week that several of the world's largest institutional investors are pushing back on an age old practice to give board seats to activists. Now we see shareholder activism again. A new paper that looks at "material" shareholder resolutions (about 42% of total

sustainability resolutions were considered material) and concludes that this suggests "that a significant number of shareholders are unaware of materiality, or are pursuing objectives other than enhancing firm value." [READ MORE](#)

### THIS WEEK IN NUMBERS

35,000

km is the distance covered by Solar Impulse 2, the first solar plane to fly through the night around the world

2050

is the date by which New Zealand's Government wishes to eradicate all non-native predators from the country

2020

is the year in which a tougher rule on heavy-duty truck emissions will take force in Mexico

500

million dollars is the amount of Starbucks' first ever green bond, issued this week.

144

vertebrate species became extinct due to tropical deforestation from 1950 to 2009

60

companies are participating in a new network, the Renewable Energy Buyers Alliance, that aims to break down barriers to lower-carbon energy

1

percent of insurance companies consider the risks of stranded costs on their investment portfolios

# INSIGHTS

## For the Mainstream Investor

Week ending July 29, 2016

Edition 153

## JAPAN'S GPIF MOVES ON ESG

Japan's USD 1.32T Government Pension Investment Fund (GPIF) has begun a [search](#) for a manager to run a passive ESG index of Japanese shares.

The Fund has decided to take this approach because "one can expect middle and long-term risk reducing effects and excess return from ESG in the passive management of Japanese stocks considering ESG factors."

Meanwhile, the Fund also announced this week that it has established "forums" to engage with [select groups](#) of Japanese companies and overseas asset owners on environmental, social and governance issues.

A first meeting in September will be attended by about 10 companies, with others welcome to join subsequent gatherings to be held twice a year, a GPIF news release said.

## WHAT WE'RE READING

Insurers are not protecting their portfolios from climate risk



AODP

[Global Climate 500 Index 2016](#)

## WE'VE BEEN WATCHING



The [Solar Impulse](#). In March 2015 the solar-powered plane took off on its round-the-world flight (with no fuel on board). It landed this week in the UAE. Track its complete journey [here](#).

## AUSTRALIA REMAINS COMMITTED TO ESG

A new report by the Responsible Investment Association Australasia (RIAA) found that there has been an increase in interest in [responsible investment](#), from the largest institutions through to boutique funds. Nearly half (47%) of Australia's investments are now being invested responsibly – totaling USD

633B. Are we at a tipping point? [Some](#) say yes. Seventy-one Australian asset managers have now [declared their commitment](#) to responsible investment by signing up to the United Nations Principle for Responsible Investing (UNPRI).

## BELIEVE IT OR NOT

A new veggie burger that went on sale this week in New York City actually "bleeds". Not only that, but the meat-free burger uses "95 per cent less land, 74 per cent less water and produces 87 per cent less greenhouse gas emissions than its meat-based rival." We're intrigued.

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