

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING OCTOBER 28, 2016 EDITION 166



### GREEN REVOLUTION

*Coal steps aside and the IEA adjusts its forecast*

This week the International Energy Agency (IEA) said in its [Medium-Term Renewable Market Report](#) that it will significantly increase its five-year growth forecast for renewables. Renewables [surpassed](#) coal last year to become the largest source of installed power capacity in the world.

"We are witnessing a transformation of global power markets led by renewables," said [Fatih Birol](#), executive director of the global energy advisory agency.

According to the IEA, more competition, enhanced policy support in key markets, and technology improvements are some of the factors behind the transformation

### GENDER EQUALITY: SLOW GOING

*Painfully slow global progress on gender equality*

170 years. That may be how long it will take for men and women reach global economic equality according to a [report](#) by the [World Economic Forum](#). According to the group, efforts to close gender gaps in pay and workforce participation have [slowed dramatically](#) in the past year. In fact, the economic gap this past year reverted back to where it was in 2008.

Politically, several countries are gaining ground, but others are lagging. The United States ranked 73rd in political empowerment. "These forecasts are not foregone conclusions. Instead, they reflect the current state of progress and serve as a call to action" said Saadia Zahidi, a member of the WEF executive committee

### THIS WEEK IN NUMBERS

50,000

solar panels were installed every day last year

2040

is the forecasted date for Germany to withdraw brown coal (lignite) from power production

2016

at the year-end, is the proposed date for a new governance code for the Netherlands

63

billion USD of green bond issuances have been issued so far in 2016

24

countries opposed the creation of a South Atlantic sanctuary for whales

14.7

billion US\$ was approved as the settlement between VW owners and regulators

7

food and beverage companies announced commitments to work with their suppliers on their water and pollution impact

4

fold is the forecast of the required production increase of lithium-ion batteries by 2020 to meet electric vehicle demand

### @SICMGMT OF THE WEEK

RT @INCRNews: World's largest asset manager @BlackRock calls for [higher carbon price](#) @UNFCCC #ParisAgreement #COP22

### WE'RE WATCHING

*Millenials*. A [survey](#) by Morgan Stanley's Institute for Sustainable Investing found that about [84 percent](#) of millennials were interested in sustainable investing.

### INFOGRAPHIC OF THE WEEK

Source: PwC

#### ESG disclosure: which standard to use?

Q: Does your company follow generally accepted standards when disclosing ESG information?

No, we use our own format **13%**

Yes, we follow GRI standards **80%**

Yes, we follow SASB provisional standards **0%**

Yes, we follow other industry-specific standards **7%**

Q: Would you like to see ESG information disclosed in accordance with any of the following standards?

No, I'm agnostic; the company can use its own format. **29%**

Yes, I would like to see information reported using GRI standards **21%**

Yes, I would like to see information reported using SASB standards **43%**

Yes, I would like to see other industry-specific standards **7%**



Source: PwC, ESG Pulse 2016, October 2016. Base: 28

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Sustainable Insight  
CAPITAL MANAGEMENT

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### ESG MIS-ALIGNMENT

*Big Corporates and investors are misaligned on ESG*

Despite the fact that 65 per cent of corporates said [ESG considerations](#) are "very important" to the company's core strategy, while just 31 per cent of investors said ESG considerations are "very important" in their equity investment decision-making, the data being disclosed isn't helping investors. According to [new research](#) by PwC, "all of the companies surveyed by PwC said they were confident in the data they were releasing - but less than 30 per cent of investors said they felt the same way."

### GHGs TOP 400

*Greenhouse gases forecast to be above 400ppm in 2016 and for generations*

GHGs reached 400 ppm in 2015. Predictions from the Mauna Loa, Hawaii station predict that CO<sub>2</sub> concentrations will remain [above 400ppm](#) for "many generations". The [World Meteorological Organization's](#) secretary general Petteri Taalas said that now it is "the utmost importance that the Paris Agreement does indeed enter into force well ahead of schedule on 4 November and that we fast-track its implementation."

### WHAT WE'RE READING



**MindScope:**  
How corporate culture can make or break a business



**European Heart Journal:**  
Long-term exposure to ambient air pollution and traffic noise and incident hypertension in seven cohorts of the European study of cohorts for air pollution effects (ESCAPE)

### PERCEPTION v. REALITY

PwC's Best Cities report looked at the best "Cities of Opportunity" versus the perception of the best cities. The [results](#) are fascinating.

#### Comparing perceptions to reality

##### Actual (from Cities of Opportunity)

1. London
2. Singapore
3. Toronto
4. Paris
5. Amsterdam
6. New York

##### Perceptual (from Best Cities)

1. London
2. Paris
3. New York
4. Amsterdam
5. Sydney
6. Berlin

### QUOTE OF THE WEEK

You don't need to believe in climate change, you don't need to believe that it is man-made. You just need to believe that governments are going to do stuff and that is going to affect your business. And then it is a material risk.

— Paul Fisher (Former Deputy Head of the UK's Prudential Regulation Authority)

Source: [The Independent](#)

### BELIEVE IT OR NOT

Road surfaces have been developed to suck the CO<sub>2</sub> out of natural gas

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