

INSIGHTS

For the Mainstream Investor

WEEK ENDING DECEMBER 9, 2016 EDITION 172



GERMAN NUCLEAR ENERGY

German nuclear assets are no longer stranded

German utilities have been cleared to seek compensation for a nuclear shutdown. In the wake of the Fukushima disaster, the German government required all nuclear reactors to be shut down. The country's highest court ruled this week that the utilities must be compensated for this.

The court declared that the ruling was "lawful" but said the utilities were entitled to "adequate compensation". Final negotiations are expected to take some time and the utilities don't anticipate payments "any time soon."

[READ MORE](#) (subscription required)

WOMEN ON BOARDS

More female board members leads to higher dividends

A [new study](#) out of Cardiff University found that the more women who serve on a firm's board as independent directors, "the higher the percentage of net income that gets paid out to shareholders via dividends." The study looked at firms in the S&P 1500 index from 1997 to 2011.

The paper's authors note: "We find that board gender composition significantly increases dividends only for firms with weak governance, suggesting that female directors use dividend payouts as a governance device".

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THIS WEEK IN NUMBERS

2,440

new coal plants around the globe are in the planning stage according to Climate Action Tracker

284

million US dollars are the assets in SHE, one of the most successful ETF launches in 2016

147

percent more calories than recommended is the average for kids' menu portions in US franchised restaurants

100

billion US Dollars of annual climate change 'protection gap' is identified for the insurance industry by ClimateWise

41

percent of US teenagers eat in fast-food outlets on any given day

4

million Euros a day is the cost to the Paris authorities of providing free public transport on the days cars are banned

4

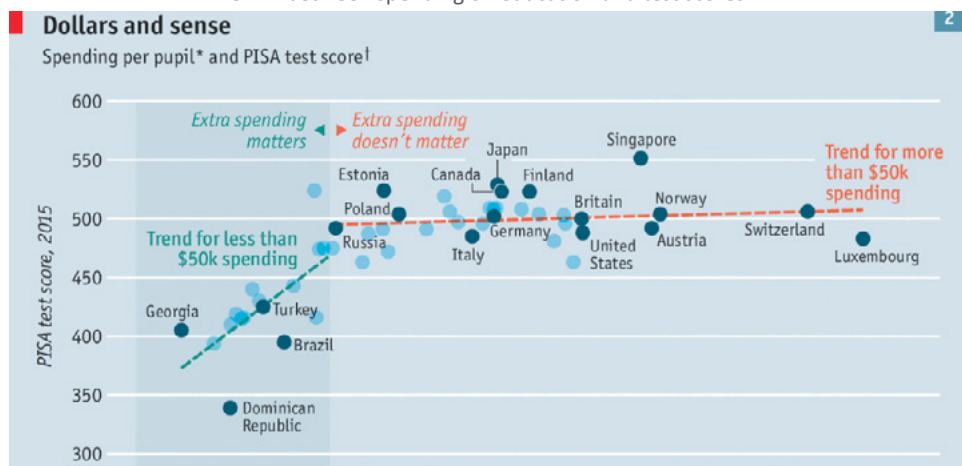
potential pathways are explored by Risky Business to allow the US to build a clean energy economy by 2050

GOOD NEWS OF THE WEEK

Google – already the largest corporate buyer of renewable energy – declared a 100% renewable energy target for the firm by 2017. And Google uses a lot of energy. Google's 13 data centers alone consume around 5.7 terawatt-hours (TWh) of electricity a year. [READ MORE](#)

INFOGRAPHIC OF THE WEEK

The link between spending on education and test scores



Source: [The Economist](#)

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GENDER COMPENSATION

Funds target US financial institutions on gender compensation

Activist investors have their eye on several large financial institutions on the issue of [diversity](#) for the upcoming shareholder meeting season. Activist firms and shareholder engagement organizations are demanding that banks disclose compensation data for men and women, and publish statistics about the race and gender of their employees.

Natasha Lamb, Arjuna's director of equity research and shareholder engagement [said this week](#): "Given the financial benefits of diverse leadership teams, the female talent gap is simply bad for business. Moving women up the ladder is critical, and companies can start by addressing structural barriers, including the gender pay gap."

SUSTAINABILITY DISCLOSURE

Companies disclose sustainability risks but lack of detail fails to satisfy investors

According to a new study by the Sustainability Standards Accounting Board ([SASB](#)), most U.S. listed companies are disclosing sustainability risks to investors, but not in any meaningful detail. The study found that 81% of the top 700 companies across 79 industries addressed "material" social and environmental risks. However, 52% of the companies used "vague, boilerplate language to flag the risks without articulating management response strategies."

Note: SICM's Managing Partner, Kevin Parker is on the board of SASB.

[READ MORE](#)

WHAT WE'RE READING



Risky Business

[From Risk to Return: Investing in a Clean Energy Economy](#)
[How to respond to the economic risks of climate change](#)

INNOVATION OF THE WEEK

Street lamps in Australia – originally just used to light the way, are now monitoring air pollution and bushfires. [READ MORE](#)

IN THE NEWS

President-elect Trump picked his [nominee](#) to head the Environmental Protection Agency ([EPA](#)): a leading critic of the EPA's agenda. Stay tuned.

WE'RE WATCHING

Millennial consumers opt for quality and environment rather than social media, websites and a "snazzy brand image". [READ MORE](#)

DID YOU SEE...?

The Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) recommended climate disclosure across the investment chain. [READ MORE](#)

BELIEVE IT OR NOT

Look on the bright side! Optimistic women cut their risk of deadly diseases, especially heart disease.

[READ MORE](#)

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