

INSIGHTS

For the Mainstream Investor

WEEK ENDING APRIL 14, 2017 EDITION 189



SHAREHOLDERS TO REVOLT?

The AGM season beckons

Executive pay is on the agenda this spring at several upcoming shareholding meetings and it's getting more attention than usual. [Norges Bank Investment Management](#) has already called for CEOs to be paid in shares that were locked-in for 10 years.

The last time there was this kind of momentum was in 2012. That year, significant proportions of investors voted against pay packages at Aviva, Barclays, UBS, and Citigroup. At the time, such opposition was almost unprecedented.

And coordinated efforts could see significant results this year. In fact, BP CEO Bob Dudley has already agreed to a pay cut this year following criticism of previous remuneration. Others? We'll see. Stay tuned.

[READ MORE](#)

FINANCING THE PARIS AGREEMENT

USD 40 billion shortfall

Who is going to hold countries accountable for paying for the Paris Agreement? Countries such as China, India and Brazil are [asking industrialized nations](#) to "honour their commitments and increase climate finance towards the \$100 billion goal". They also said more that clarity was needed to "track and account for" those pledges.

And the U.S.? President Donald Trump will face the G7 next month which may lead to a showdown over his [hard-line position](#) on climate change.

WHAT WE'RE WATCHING

Toshiba and the Tokyo stock exchange. Toshiba recently had huge writedowns at its nuclear subsidiary, and it appears the conglomerate's shares may be threatened with delisting by the Tokyo Stock Exchange. [READ MORE](#)

THIS WEEK IN NUMBERS

500,000

diarrhoeal deaths annually is estimated by the World Health Organization ([WHO](#))

1,500

km (932 miles) stretch of the Great Barrier Reef has lost its algae leaving the coral bleached

795

million people in the world are undernourished according to the [World Food Programme](#)

268

CEO departures were examined to determine when other corporate bosses are likely to depart, voluntarily or not

100

percent clean energy by 2050 is the goal of the City of Portland and Multnomah County, Oregon

40

billion US\$ shortfall is evident following the \$100bn commitment in the Paris Agreement (2015)

28

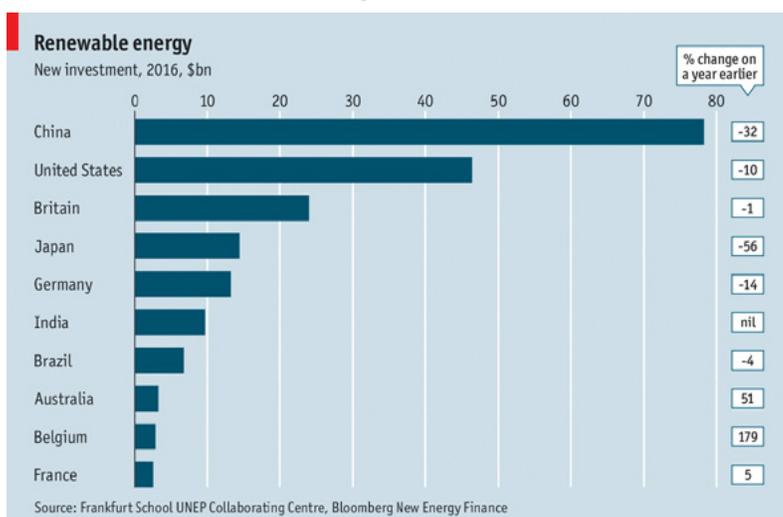
billion US\$ is the estimated issuance of green bonds in 2017 as calculated by the [Climate Bonds Initiative](#)

13

tonnes of water per tonne of fuel produced is required by coal-to-liquid plants

INFOGRAPHIC OF THE WEEK

Falling renewable investment



Economist.com

Source: [The Economist](#)

The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research.

INSIGHTS

For the Mainstream Investor

WEEK ENDING APRIL 14, 2017 EDITION 189



Sustainable Insight
CAPITAL MANAGEMENT

@sicmgmt

CA'S CARBON SYSTEM LEGAL

Win for the State

A state appeals court found this week that California's voluntary cap-and-trade system – a system allowing companies to purchase carbon credits through an auction or a secondary market – is not an illegal tax. The decision protects the program through 2020.

The state has ambitious goals. In January, the [California Air Resources Board](#) released a plan to cut emissions by 40% by 2030, based on 1990 levels.

[READ MORE](#)

VIDEO OF THE WEEK

SICM was honored to host Dr. Jane Goodall at the Paley Center for Media in New York City on April 5th. The event was a huge success and we look forward to sharing our reflections on it as well as some photos (keep an eye on your inbox). In the meantime, we encourage you to watch [this video](#), which highlights an important part of her work.

CHINA'S RENEWABLE ECONOMICS

Wind & solar to add USD 2tn

A new [Greenpeace](#) study found that solar and wind production in China could replace 300 million tons of standard coal per year and be socially and economically beneficial. Renewable energy has already had some benefits in China. Between 2013 and 2015, off-grid solar provided power to almost half of China's population who lacked access to the grid. "Not only could China rid itself of fossil energy sources to the tune of 300 million tonnes of standard coal, it could also save enough water to meet the annual basic needs of 200 million people and add billions of dollars to the national economy," said Greenpeace East Asia climate and energy campaigner Yuan Ying.

The findings' counter argument is that renewables will be costly, as well as fears that the energy transition will result in unavoidable social and economic losses. [READ MORE](#)

DID YOU SEE...?

[ClientEarth](#) has challenged the UK government over its continuing delay on publishing a new emissions reduction plan. [READ MORE](#)

WHAT WE'RE READING



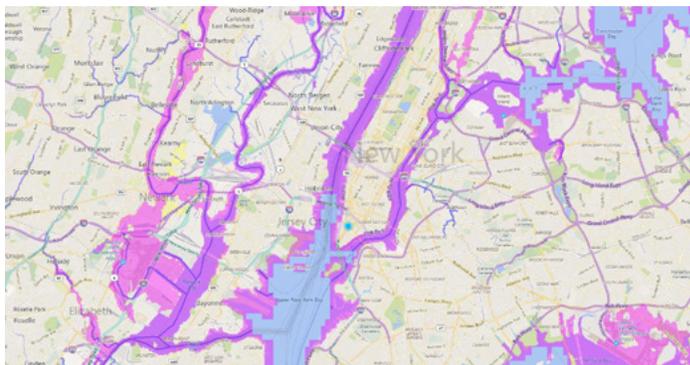
In Group Bias in Financial Markets

A new study from the University of Miami School of Business Administration, the University of Mannheim in Germany, and the University of Michigan's Gerald R. Ford School of Public Policy found that male stock analysts tend to write more favorably about public companies headed by men than about companies led by women. White analysts favor firms run by white chief executives. And Republicans and Americans in general prefer companies helmed by people like them. It's called "group bias" and it has real stock market effects. [READ MORE](#)

ONE FOR THE TOOLBOX

Global flood map made available online

Ever wonder if your business or home is at risk of flooding? [This map](#) has the answer.



The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research.

BELIEVE IT OR NOT

Warm weather was to blame for the sinking of the Titanic. Historic records suggest that a series of warm years in the Arctic is to blame for the swarm of icebergs crossing the shipping routes in 1912. [READ MORE](#)