

INSIGHTS

For the Mainstream Investor

WEEK ENDING MAY 19, 2017 EDITION 194



THE PROFITABILITY OF SUSTAINABLE INVESTING

Barclays comments on ESG investing

The Barclays Equity Gilt Study 2017 – the bank's annual report detailing its view on macro economic drivers – has a chapter on the financial benefits of taking into account environmental, social and governance (ESG) factors. It found that "an ESG-positive tilt leads to a small but steady performance advantage" and moreover that incorporating ESG did not lead to a greater risk of future under-performance.

"If consideration of ESG principles can actually help to improve portfolio performance – as many adherents claim – then it would be hard to justify any resistance to their adoption" noted the study.

[READ MORE](#)

SUGAR TAX IS BACK

South African plans

The government of South Africa plans to [implement a sugar tax](#) to help curb the country's growing obesity epidemic. According to the [Overseas Development Institute](#), the problem reflects the global increase in obesity in developing countries. In fact the number of overweight and obese people in the developing world has grown from 250 million in 1980 to a billion in recent years.

DID YOU SEE?

Newly elected French president Emmanuel Macron appointed a green activist as the Minister for Environment and Energy. [READ MORE](#)

THIS WEEK IN NUMBERS

2,000

new plant species have been discovered last year, according to The Royal Botanic Gardens at Kew (UK)

660

million people rely on 'unimproved' water sources according to the [WHO](#)

80

percent reduction in carbon emissions by 2050 is promised by DTE Energy Co (DTE US)

60

percent of the Earth's freshwater is contained in Antarctica's ice sheets

27

million of the world's 56 million estimated deaths in 2015 were registered with a cause

23

May is the date of Royal Dutch Shell's AGM when investors vote on linking executive bonuses to emissions

17

percent increase in impact investing (to US\$25.9 billion) is forecasted in 2017

11

of the 22 positions in the French cabinet are held by women



May 8-18th

The Bonn climate change conference [took place this week](#) in Bonn, Germany. Read more about the meeting [here](#).

IMAGE OF THE WEEK

Four New York Times journalists went to Antarctica to experience the melting ice sheet for themselves. This is what they saw – click into image to see the interactive graphics:



Source: [New York Times](#)

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 MAY 19, 2017 EDITION 194



Sustainable Insight
CAPITAL MANAGEMENT

@sicmgmt

CITIES TAKE ON POLLUTION

Electric car promotion

Even with the current US president promising to rollback environmental standards, car companies are facing increasing pressure from cities around the world to make vehicles cleaner. Cities such as London, Paris and Mexico City are considering banning diesel vehicles in the face of growing pollution problems. "The air in London is lethal and I will not stand by and do nothing," Mayor Sadiq Khan said in April as he announced plans to set up an [ultra-low emissions zone](#) around the city center.

Electric cars are getting a boost as cities are hoping to go zero emissions. In the US, cities such as New York and Chicago are considering purchasing only electric cars for their city fleets (police cruisers, trash haulers, etc) to improve air quality. [READ MORE](#)

GOOD NEWS CORNER

Scientists find that [Red Sea coral](#) that can cope with rising sea temperatures caused by climate change. This is good news, as it won't meet the fate of many other types of coral [susceptible to bleaching](#).

WORD OF THE WEEK

Diffusiophoresis

noun

A phenomenon that removes particles from water using carbon dioxide. In other words, a process of making [potable water using CO₂](#) (which we know can be found in power stations and other industrial processes, such as cement-making, that produce the gas in large quantities as exhaust). Win-win?

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.

GLOBAL FRAGILITY

Better than you think?

The world is more stable than we think according to a new index of global "fragility" by the [Fund for Peace](#) (FfP), a think-tank. Since 2005 the FfP has measured the stability of 178 countries using evidence of fragility from articles ("group grievances" or the "quality of public services") as well as data from the IMF and World Bank. One hundred measures form the final score. While the study found overall stability is rather steady, greater stability in Asia and the European Union has been balanced by greater fragility in South America and sub-Saharan Africa. [READ MORE](#)

WE'RE WATCHING

Is Fiat Chrysler next? The European Commission is investigating Italy for failing to respond to allegations of emission-test cheating by Fiat Chrysler. The procedure could lead to the country being taken to court. [READ MORE](#)

ONE LAST THING

This week leading businesses, NGOs, and industry initiatives came together to form [Cotton 2040](#), a group taking action to "scale up and overcome barriers to sustainable cotton uptake." Stay tuned.

WHAT WE'RE READING



Global Investor Coalition on Climate Change

[New Climate Compass: Oil & Gas](#)



Global Impact Investing Network

[Annual Impact Investor Survey 2017](#)

BELIEVE IT OR NOT

Global mining companies embrace renewable energy to remain competitive

[READ MORE](#)