

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING JUNE 23, 2017 EDITION 199



### SEC TO BLOCK NON-VOTING SHARES?

*State Street speaks out against practice*

State Street is calling on the SEC to block companies, such as Alphabet, Snap and Facebook, from adopting [non-voting share structures](#), arguing that it limits voting rights and weakens shareholder engagement.

Rakhi Kumar, head of corporate governance [said](#): "We have engaged on this for years. Our ability to have an impact is limited. We think it has to come from the regulator to stop the dual share-class issue. When we don't have the mechanism to elect or vote for directors, we don't have a voice or the ability to influence."

### BREAKING NEWS

Corporate governance research firm Institutional Shareholder Services (ISS) acquired the investment climate data advisory division of South Pole Group, a sustainability consulting firm. [READ MORE](#)

### DID YOU KNOW?

According to a [report](#) published this week in Nature Plants, coffee lovers will taste the impact of climate change in the form of lower quality, higher priced brews. Coffee shortages due to rising temperatures in Ethiopia, where coffee provides a livelihood to about 16% of the population, and droughts in Brazil exemplify the growing impact of climate change. Although efforts are being made to create a more resilient coffee bean, the production of coffee is expected to be seriously hampered by extreme weather conditions in the world's largest coffee producing countries. [READ MORE](#)

### CORPORATE GOVERNANCE IN JAPAN

*Government publishes stewardship guidance*

The Japanese Ministry of Economy, Trade and Industry (METI) has published guidance that it hopes will [provide a framework](#) for Japanese investors and corporations to carry out long-term Stewardship. The framework – intended for companies and investors – will establish a "common language" to support the disclosure of corporate information.

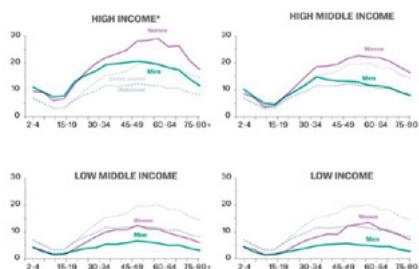
The report – issued by the 'Study Group on Long-term Investment toward Sustainable Growth', – found that while "the importance of non-financial information is increasing in regard to understanding risks and assessing corporate value, ESG information is still wrongly assessed and not sufficiently disclosed, blocking constructive company-investor dialogues and hindering long-term investment."

### INFOGRAPHIC OF THE WEEK

*Growing global obesity*

#### Even the poorest countries are seeing obesity rates surge

*Prevalence of obesity by age group (%)*



"Researchers used the 'Socio-demographic Index' to rank countries by socio-demographic development. The measure is based on average income per person, educational attainment, and total fertility rate.

SOURCE: The New England Journal of Medicine



Sources: [The New England Journal of Medicine](#)

### THIS WEEK IN NUMBERS

43,000

tons of food waste is produced by Ikea annually; the company intends to halve this

30,000

hectares (74,000 acres) have been damaged by forest fires in Portugal

2050

is the date by which the new London Transport Strategy aims to have a zero emission level for its transport network

12

percent of employees only believe that recreational activities should be available in the workplace

5.2

billion Euros (USD 5.8bn) is the amount that ENEL of Italy intends to invest in renewable generation in the next three years

3

trillion GBP (USD 3.8) is the forecasted amount that ageing baby-boomers will hand over to their families in the next 30 years

2.3

trillion USD of upstream oil & gas projects are inconsistent with global commitments on climate change

2

billion plus hectares (4.9 billion acres) of deforested and degraded land awaits restoration

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Sustainable Insight  
CAPITAL MANAGEMENT

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### BANK OF ENGLAND AND CLIMATE

*Bank evaluates climate risk*

This week the Bank of England published a report promoting their [strategic response](#) to the financial risks associated with climate change. The report draws attention to the immediate and long term risks that climate change presents for financial systems.

Climate change and societal responses to it can no longer be ignored when calculating market risk for banks and investors. These risks include physical risks, such as floods and droughts, as well as the risks associated with markets as they transition to a lower carbon economy.

By acknowledging the current climate related risks the bank hopes to maintain stability in the UK financial system. Moving forward the bank will take a forward-looking approach, actively engaging with regulated firms, such as insurance companies, as well as incorporating climate related risks into the Bank's strategy.

### CLEVER STUFF

Researchers to pump a forest full of [carbon dioxide](#) and see what happens. Stay tuned.

### WORTH NOTING

JP Morgan launched an innovation lab to help women and minorities launch tech products. [READ MORE](#)

### GOOD NEWS...

Dell is using [ocean plastic](#) in materials in the production of its XPS 13 notebook.

### NUCLEAR IN US?

*Energy Secretary promotes nuclear power*

The presence of [nuclear power plants in the US](#) has been fading in recent years due to increased competition from natural gas and renewable energy sources. This week the Department of Energy Secretary, Rick Perry, promoted the resurgence of Nuclear power in the US. Perry's promise to bring, "our nuclear energy industry back" sheds light onto the new administrations plans to cut funding for Energy development by more than half from 2016 levels.

Significant cuts would be seen primarily in departments responsible for research and development of energy efficient solutions as well as those responsible for extending the life of existing nuclear power plants.

### DID YOU SEE?

Rising temperatures in Antarctica have proven to be the catalyst for changes that threaten the basic biological and geographical landscape of the iconic Peninsula. Whereas temperatures have previously been too cold to support the life of seeds or larvae that have been introduced to the landscape through human activity, the recently detected presence of flies in Antarctica exemplifies the profound changes that rising temperatures have created.

The introduction of the new species into the life of the indigenous wild life may prove detrimental to existing eco systems as temperatures continue to rise. [READ MORE](#)

### ... AND BAD NEWS

Scientists still [do not know](#) where 99% of ocean plastic debris ends up.

### WHAT WE'RE READING



Carbon Tracker



Nature

[2 Degrees of Separation](#) [Predictions of virus spillover across species](#)

### BELIEVE IT OR NOT

Scientists have developed technology that charges your cellphone with urine.

[READ MORE](#)

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