

INSIGHTS

For the Mainstream Investor

WEEK ENDING SEPTEMBER 22, 2017 EDITION 212



CORPORATES AND CLIMATE POLICY

The 50 most influential

An interesting study by [InfluenceMap](#) examines companies and their impact on climate change. Rather than just scoring them on emissions the analysis examines their impact on climate-related discussions and policies, using measures such as their stance on climate policy, their lobbying activity and their economic clout. It finds that 35 of the 50 most influential corporates are actively managing against climate policy.



At the forefront are fossil fuel companies (e.g. ExxonMobil, Valero & Chevron), energy intensive players (e.g. BASF, ArcelorMittal & Bayer), auto manufacturers (e.g. Fiat Chrysler, Ford & BMW) and some utilities (e.g. Southern Company, Duke Energy and AEP). [FULL REPORT HERE](#)

DEVELOPMENT NEEDS BROADBAND

The digital divide

The Broadband [Commission](#), set up by the International Telecommunications Union (ITU) and UNESCO to help meet the Millennium Development Goals (MDGs) and then subsequently the SDGs, released a [report](#) highlighting a global skills gap where the ability to use new technologies is affected by gender, class, location and age.

The report draws attention to the complementary skills needed to promote technological advances. These include factors such as government involvement, privacy considerations, and awareness of how big data and algorithms are shaping society. The UN Secretary-General [stated](#), 'Broadband is a remarkable tool; now we must do more to ensure that all enjoy its benefits'.

THIS WEEK IN NUMBERS

7,367

to 7,884 snow leopards are believed to be in existence so they have been moved from the 'endangered' to 'vulnerable' category by [IUCN](#)

815

million people were affected by global hunger in 2016, a rise of 38 million on the previous year

100

percent reliance on renewable energy has been recently declared by Kellogg, Estee Lauder and DBS Bank

90

percent of all natural disasters in the US involve flooding

45

percent of the US 500 largest listed companies disclose gender of their employees and about 40% reveal race or ethnicity

7.3

million tonnes of waste plastics, over half the global leftover plastic, was imported by China last year

0.14

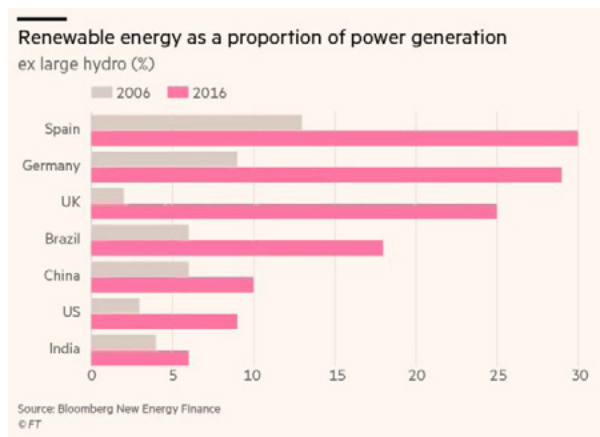
global HIV deaths per 1,000 people was recorded in 2016 and is expected to decline to 0.09 by 2030

0.6

percent fall in estimated earnings growth for the S&P 500 for Q3 because of hurricanes Harvey and Irma according to Factset

INFOGRAPHIC OF THE WEEK

Renewable energy as a proportion of power generation (2006 vs. 2016)



Source: [Bloomberg New Energy Finance](#)

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. Icon podcast by Jamison Wieser from the Noun Project.

INSIGHTS

For the Mainstream Investor

WEEK ENDING SEPTEMBER 22, 2017 EDITION 212



FINANCIALS TARGETED

Institutions demand disclosure

More than [100](#) institutional investors have written to 62 of the world's largest banks demanding improved climate-related disclosures. This is in line with recommendations made by the Taskforce on Climate Related Financial Disclosures (TCFD) which stated in its final [report](#) that the pricing of risk was an essential function of financial markets and 'Accurate and timely disclosure of current and past operating and financial results is fundamental to this function'. [Banks](#) that have been targeted include Bank of America, JP Morgan, Morgan Stanley, HSBC and Deutsche Bank.

WE'RE WATCHING

A [study](#) of the glaciers in the high mountains of Asia (HMA) provide water to millions of people. The shrinking of these glaciers could have a dire impact on regional water management.

BAD NEWS

The Florida Reef Tract, the third largest barrier [reef](#) in the world, is severely damaged. Now there is speculation that the reef is no longer able to provide protection from storm surges and cyclones as in the past.

REPORTING ENVIRONMENTAL RISKS

But not their financial value

A [study](#) by Accenture, CDP and Hermes Investment Management shows that while corporates may report on their environmental performance, many do not report the financial value of this strategy. The research shows that 'the largest emitters ... account for \$447bn opportunity from climate change. Yet 42 percent of these companies have not yet quantified the potential value'. Accenture believes this is a 'huge missed opportunity for companies'.

DID YOU SEE?

Nordea, has published a research [paper](#) suggesting that ESG screening is a worthwhile tool. The report states that 'High ESG focus contributes to risk mitigation; our research shows this is mirrored in strong operational and share price performance'. It adds that 'ESG research belongs in company valuation'.

GOOD NEWS

[Bayer](#), the German agrochemicals and pharmaceutical conglomerate has launched an online market-place for Brazilian coffee producers to sell their beans. Bayer hopes the website – Made in Farm – will allow farmers to find new markets and increase profits by excluding the intermediary.

READING LIST



Goalkeepers by the Bill & Melinda Gates Foundation



Board Composition and Director Recruiting Trends by Equilar



2017 Global CSR RepTrak 100 Report by the Reputation Institute



States, cities and businesses leading the way: a first look at decentralized climate commitments in the US by New Climate Institute

LISTENING LIST



BBC More or Less
How to measure a hurricane

BELIEVE IT OR NOT

Coal used as carbon fiber for US Navy mini submarines. [READ MORE](#)

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. Icon podcast by Jamison Wieser from the Noun Project.