

# INSIGHTS

## For the Mainstream Investor

WEEK ENDING OCTOBER 20, 2017 EDITION 216



### LISTING RULES

*No government protection*

The UK's Financial Conduct Authority (FCA) has proposed the [idea](#) of altering the listing rules for state-owned companies. The proposal is to loosen governance restrictions in London by creating a new category in its 'premium' listing rules, therefore attracting more IPOs. The target appears Saudi Arabia's sale of Saudi Aramco, its national oil company.

But opposition appears to be growing. Recently, [NBIM](#) has expressed [opposition](#) to the plan, criticizing the lack of protection for minority shareholders. Other major institutional investors have also submitted responses to the FCA. A decision is expected by the year-end.

### AI AND DRUG DISCOVERY

*DeepMind goes for proteins*

Google's AI subsidiary, [DeepMind](#), unveiled [AlphaGo Zero](#), a self-taught [program](#) of Go-playing software which can't stop winning. The next stage is whether this algorithm can be used to solve other problems which are dependent on intelligent search of a large number of possibilities.

One area the team are looking to tackle is the question of how proteins fold into their final shape and predicting which molecules might be potential [medicines](#) or accurately simulate chemical reactions. Of course, DeepMind's recent success raises the question of whether it becomes a replacement for our brains or acts as an assistant – i.e. a 'multiplier for human ingenuity' – as with search engines.

### THIS WEEK IN NUMBERS

5,005

buildings in New York city saw their emissions drop by 14% between 2010 and 2015

973

million votes supported Nelson Peltz's attempt to win a board seat at Procter & Gamble, 0.3% short of the next lowest candidate

75

percent of companies believe deforestation is a potential risk to supply chains, says [CDP](#)

75

percent plus decline in insect populations in German nature reserves has been recorded in the last 3 decades

50

percent increase in low-carbon investments is promised by La Caisse de depot et placement du Quebec, over three years

3

years in a row Sydney, Australia has been ranked the most reputable city in the world by the [Reputation Institute](#)

2

to 1 is the ratio of green investments to brown investments that the former UN climate negotiator, Christiana Figueres, is calling for banks to implement

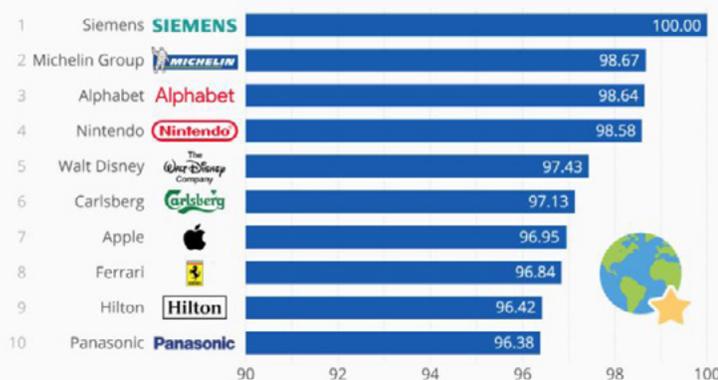
1

million kilograms of plastic waste is to be removed from Haiti by the end of this year

### INFOGRAPHIC OF THE WEEK

#### The World's Best Regarded Companies In 2017

Top 10 best regarded companies globally on a scale of 0-100 in 2017



\* Based on Forbes' 2017 Global 2000 rankings, which features public companies from 58 countries  
Source: Statista & Forbes - Global 2000 Rankings



Source: [Statista](#)

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Sustainable Insight  
CAPITAL MANAGEMENT

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### SUSTAINABLE AGRICULTURE

*Falling productivity for developing countries*

An annual [study](#) released by [Global Harvest Initiative](#) examines global agricultural productivity. Financed by major agricultural companies such as Du Pont, John Deere and Monsanto, the report examines how the world will respond to rising food demand. If population forecasts of almost 10 billion by 2050 are correct, food, feed, fiber and biofuel output will nearly have to double compared to 2005 levels.

The concerning finding in the report is that global agricultural productivity growth is not accelerating quickly enough to meet future demand. What is particularly disturbing is the continued decline of agricultural productivity growth in low-income countries.

### WE'RE WATCHING

Expiry [labels on foods](#) are often confusing. They include 'Sell by', 'Best before', 'Use by' and many other instructions. Does a 'Best if used by' warning mean that it shouldn't be eaten after that date? Now the US Grocery Manufacturers Association and the Food Marketing Institute are attempting to develop a common standard which is easily understood.

### GOOD NEWS

The world's first floating windfarm has started delivering power to the Scottish grid. The five turbines are [tethered to the seabed](#), about 15 miles from the Scottish coast. Statoil, the Norwegian energy company, had been working on this project for 15 years.

### SUSTAINABLE PACKAGING

*Consumer-led*

Research by [Zion Market Research](#) sums up the benefits of sustainable packaging as the 4 R's: reduce, recycle, renew and re-use. Sustainable packaging can increase the shelf life of products as well as being eco-friendly. Sustainable packaging covers a range of materials including paper, metal, plastic and glass which can be degradable, recycled and/or re-used.

The study demonstrated that it is consumers which are driving the trend for sustainable packaging, as they demand environmentally acceptable packaging solutions. The banning of plastic bags in some countries has helped drive this sentiment.

### DID YOU SEE?

ICCR launches the Investor Alliance for [Human Rights](#), which aims to engage investors on a range of human and labor rights issues. It aims to be promote corporate accountability on human rights.

### BAD NEWS

My Plastic Footprint, which has recently released a plastic reduction app, believes that half the plastic we use every day is [thrown away](#) within 20 minutes of use. In turn, much of this plastic ends up in the sea, a quarter of a ton every second.

### READING LIST



[US SIF Retail Investor Guide - Getting Started in Sustainable and Impact Investing](#)



[Oekom Impact Study 2017](#)



[2017 Corporate Governance Review: a question of trust by Grant Thornton](#)

### BELIEVE IT OR NOT

Pollution accounts for 16% of all global deaths with 92% of these deaths occurring in low-income and middle-income countries. [READ MORE](#)

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