

INSIGHTS

For the Mainstream Investor

WEEK ENDING OCTOBER 27, 2017 EDITION 217



THE ONLINE AGM

Good or bad?

Are in-person annual shareholder meetings outdated? Should companies go online, encouraging more widespread participation? Virtual shareholder meetings are increasing with 184 held by US companies in the first half of 2017. Corporates that have adopted the online AGM include ConocoPhillips, Duke Energy, Ford, HP, PayPal and Sprint. They view it as a way to halt the decline in AGM attendances. But not everyone is in agreement. Many opponents believe the webinar format means the impact of the message is lost and that the smaller shareholders' voices will vanish. There is a fear that Boards will ignore the more controversial questions at these meetings, which is difficult to do if you are physically present.

TERM OF THE WEEK

'Oceanic pole of inaccessibility'

Also known as Point Nemo, it is the place in the ocean which is farthest from land and lies in the South Pacific Ocean.

EXAMINING FOUNDATIONS

Are they ESG orientated?

There are an estimated 86,726 foundations in the US, with assets totaling \$865 billion (2014 data). In Europe there are 141,000 registered 'public benefit foundations'. Euromoney points out that many would expect these foundations to be invested along ESG principles and have certain SRI criteria, but 'that assumption would be wrong'.

Studies show that the maximum percentage of foundations meeting such criteria has never been above 50%. The reason for this may be generational. On the one hand the top priority is to make the investment return to ensure donations can continue while on the other hand others believe their investment should be aligned with their mission. As the younger generation take control, the latter may become more dominant.

THIS WEEK IN NUMBERS

132,161

US\$ is spent by Hong Kong adults on their child's education on average, the most of any country globally

2022

is the year that researchers forecast that the total number of obese kids will overtake those which are moderately or severely underweight

99

percent of seabirds will have ingested plastic by 2050

75

percent of companies worldwide do not recognize climate change as a financial risk in their annual reports

48

percent of Americans have hardly any confidence in Wall street, the same level as for government financial regulators

21

percent of global energy investment was made in China, the largest of any country in 2016

6

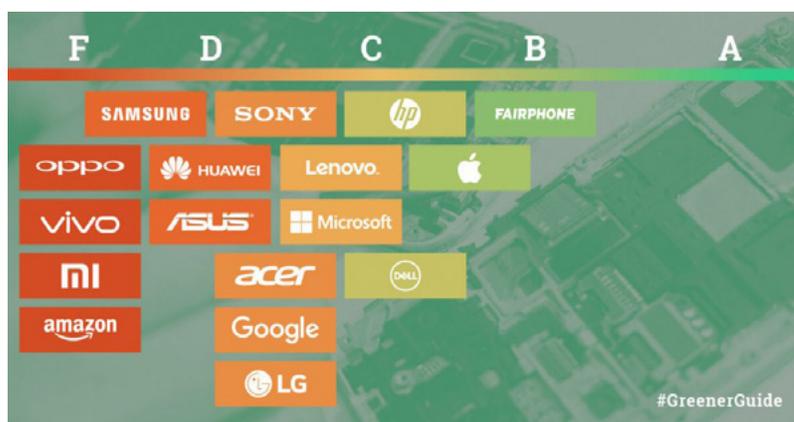
fold increase in battery energy density in EVs has been recorded since 2009

0

net emissions of carbon by 2050 is the country's target for New Zealand's newly elected Prime Minister, Jacinda Ardern

INFOGRAPHIC OF THE WEEK

The green rating of leading consumer electronic companies



Source: Greenpeace USA

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COMMENTS ON ELECTRIC CARS

True or false?

As the number of electric vehicles (EV) continues to grow, it's worth examining some of the [questions](#) raised about this mode of transport. For example, are EV batteries environmentally unacceptable? The answer is no. It is estimated that about 95% of the EV battery can be recycled. However, what is less clear is whether making the lithium-ion batteries harms the environment.

They certainly require [mining](#) operations, just as fossil fuels require exploration and production. It is evident that the makers of EVs need to be mindful of supply chain issues. As for causing an excessive [strain](#) on the power grid, this looks overplayed. With most EV owners opting for a slow charge overnight, spikes in demand can be avoided.

WE'RE WATCHING

The Principles for Responsible Investment (PRI) will agree on a [process](#) for de-listing members who merely pay lip service to the standards. Minimum criteria have already been set but the process will be agreed by the year-end. About 200 signatories are believed to be falling short of the required standards.

GOOD NEWS & MORE GOOD NEWS

Recent research has suggested that combining [antibiotics](#) with metal compounds could increase the drug's effectiveness. The universities of Surrey (UK) and Wurzburg (Germany) found that manganese compounds increased effectiveness against E coli by between 50% and 87%.

Convention on International Trade in [Endangered Species](#) (CITES) reports that elephant poaching has declined for a 5th year in a row with eastern Africa back to pre-2008 levels.

WORRIES ABOUT FRACKING

The latest research on pollutants

Recent [research](#) conducted at US [fracking](#) sites suggesting that the process poses a health risk to infants and children. This is caused by the chemicals in the fracking process, which are used in a pressurized fluid to fracture the shale and collect the trapped gas at the surface.

The scientists studied the chemicals, focusing on five major groups of pollutants, including heavy metals. These can lead to both air and water pollutants, which in turn can lead to neuro-development disorders and neurological birth defects. The researchers advise that more research is needed to understand the full extent of these concerns. Some [countries](#) have banned fracking because of pollution concerns including France, Germany, the Netherlands and the Republic of Ireland.

DID YOU SEE?

The Pew Research Center has undertaken a [survey](#) to better understand the relationship between Americans and guns. It reveals that two-thirds have lived in a household with a gun at some point and 72% say they have fired a gun, whether they own one or not. Thirty percent of US adults own a gun with 36% saying they are open to owning a gun in the future.

BAD NEWS

Global [tree cover](#) loss reached a record 29.7 million hectares (73.4 million acres) in 2016, close to the size of the Philippines. This is a 51% increase on the previous year with forest fires being the main cause of the loss.

READING LIST



CDP A List



Guide to Greener Electronics 2017



Global EV Outlook 2017

Global EV Outlook 2017, by International Energy Agency (IEA)

QUOTE OF THE WEEK

“General Motors believes in an all-electric future.”

– Mark Reuss, [General Motors](#) executive vice president of Product Development, Purchasing and Supply Chain

BELIEVE IT OR NOT

Following Nicaragua's signing of the Paris climate Agreement, only two countries have failed to do so: Syria and the USA.
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