

## CENTRAL BANKS AND CLIMATE

*Dutch views of carbon pricing*

When central bankers share their thoughts in speeches, investors listen. So it's of interest that the President of the Dutch Central Bank called for the introduction of better carbon pricing. In a [speech](#), Klaas Knot, discussed how public investment can contribute to sustainable growth. He expressed concern that 'investment in climate change mitigation in the EU has actually declined since 2012'.

He believes that an important step would be to introduce more adequate carbon pricing which would 'provide better financial incentives for sustainable private investments'. Central bankers are becoming increasingly vocal about climate change. [READ MORE](#)

## GDP AND POWER USE

*A changing relationship*

It is reasonable to assume that economic growth, as measured by GDP, and rising electricity consumption are linked. However, there appears evidence that this is a dangerous assumption to make. An [analysis](#) by the US Energy Information Administration (EIA) suggests that the relationship between the two variables is more complicated.

Factors such as 'the countries' relative level of development, electrification, economic make-up, and income levels' should be considered. OECD countries are shifting towards technologies that are generally less energy-intensive. In contrast, non-OECD countries have rapidly growing economies largely dependent by a growing manufacturing sector.

## THIS WEEK IN NUMBERS

30,000

homes can be powered by the world's largest battery, which has come on line in Australia

530

million electric vehicles are forecast to be on the road by 2040, according to BNEF

315

plastic beverage bottles per person were sold in the US in 2014

231

million metric tons was the record decline in CO2 from energy-related coal emissions in the US in 2015

81

% of people in the Americas feel that sustainable investing is now more important

57

million Uber accounts were exposed in a data breach one year ago, Uber Technologies has revealed

15

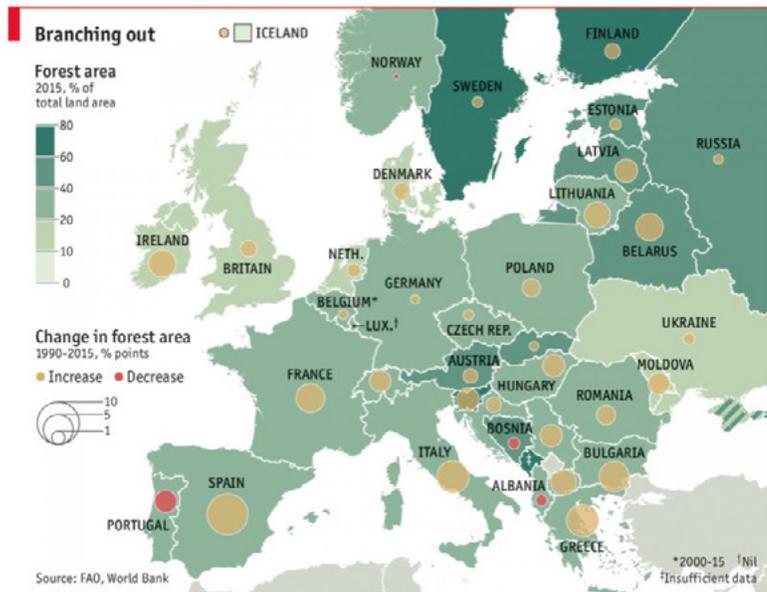
of the biggest ships in the world emit more noxious oxides of nitrogen and sulphur than all the world's cars

5

million more malaria cases were recorded in 2016 over the previous year suggesting success in malaria control has stalled

## INFOGRAPHIC OF THE WEEK

*The Economist: Trees are covering more of the land in rich countries*



Source: [The Economist](#)

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# INSIGHTS

## For the Mainstream Investor

WEEK ENDING DECEMBER 1, 2017 EDITION 222



### PLASTICS IN OUR OCEANS

*How it gets there*

There has been increasing media attention about the amount of plastic ending up in the world's oceans. [Plastic Oceans](#) estimates that 8 million tons of plastic are dumped in the oceans every year. [Greenpeace](#) put this number at 12 million tonnes every year. But how does it get there? Greenpeace identify three main sources: marine litter, via the plughole and landfill sites.

Estimates suggest that 20% of plastic is marine litter, such as fishing gear, material lost at sea and industrial losses. Therefore, 80% of sea litter comes from the land. Even plastics taken to landfill sites can escape into the environment. Alas, only 9% of plastic is recycled.

### GOOD NEWS

In 2017, China has installed more [PV solar capacity](#), at 54GW, than any other country's total PV capacity as at the end of 2016. Note that the USA had a total solar capacity of 40GW at the end of last year.

### BAD NEWS

A Canadian [fishing boat](#) has caught a lobster off New Brunswick which had a blue and red Pepsi logo imprinted on its claw. How it got there is puzzling.

### ESG PROFILE

*Country analysis*

The [RobecoSAM](#) semi-annual 'Country Sustainability Ranking Update' (November 2017) examines the ESG profiles of 22 developed countries and 43 emerging market economies. The scoring method provides an insight into the risks and opportunities of each country.

What is clear is that the Nordics remain the leaders with Sweden at the top of the rankings followed by Finland, Norway and Denmark. Also in the top 10 are Switzerland, Canada, Australia, New Zealand, the Netherlands and Ireland. Bottom of the sustainability scores are Nigeria, Pakistan and Venezuela.

### DID YOU SEE?

Moody's Investor Service Inc. has explained to clients how it incorporates climate change into the [credit ratings](#) for state and local bonds. It has warned that cities and states need to deal with the risks from surging seas otherwise they are at risk of default.

### WE'RE WATCHING

Rising shipping costs could affect the price of global agricultural commodities in 2018 warned [Rabobank](#), a major lender to the food industry, and the UN Food and Agricultural Organization. Bulk freight rates have been heading higher since early 2016. Another la Nina and shrinking inventories are cause for concern.

### READING LIST



Act today to ensure our future: understanding ESG – Deutsche Bank



Global Investor Study (2017) – Schroders



Where is the S in ESG? – Financial times



Managing ESG Risk in the Supply Chains of Private Companies and Assets - PRI

### LISTENING LIST



BBC  
Ocean stories: The Indian Ocean

### BELIEVE IT OR NOT

For every cumulative doubling of solar production, the price of PV modules decreases by 20%. It's known as Swanson's Law. But Swanson didn't invent it! [READ MORE](#)

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