

INSIGHTS

For the Mainstream Investor

WEEK ENDING MAY 11, 2018 EDITION 244



FIREARM INVESTMENT

In the firing line

It will not go away. Opposing views on investing in firearm companies has been evident this week. Berkshire Hathaway' CEO, [Warren Buffett](#), was speaking at the annual meeting and commented that 'I do not believe in imposing my political opinions on the activities of our businesses'. He [emphasized](#) that he believed it incorrect to impose his 'views on 370,000 employees and a million shareholders'.

We have reported in earlier editions of [Insights](#) that corporates have adopted a range of strategies against firearm companies ranging from refusing to lend to the removing of [discounts](#) for NRA members.

Meanwhile [CalSTRS](#) has opted not to divest from weapon retailers, choosing to engage with companies instead. Should this strategy fail the board will reconsider the divestment option; divest last is the mantra. At Sturm, Ruger & Co [shareholders](#) voted to approve the requirement of a report on the risks related to its firearms business.

SOLAR REQUIREMENTS

Construction mandate

Solar panel manufacturers must be hoping that more states follow the example of California and [mandate](#) rooftop solar panels on new single-family homes and multi-family buildings of up to three stories. [The Californian Energy Commission](#) approved the measure which comes into force in 2020. California is the world's fifth largest economy and has been developing its 2019 building efficiency standards.

A member of the state energy commission commented that, 'We cannot let Californians be in homes that are essentially the residential equivalent of gas guzzlers'.

Those critical of this mandate point out that it will add \$9,500 to the cost of new houses so is likely to worsen the states affordable housing problem. However, supporters point out that long-term energy savings should compensate for this.

THIS WEEK IN NUMBERS

7,500
satellites have been launched into space of which 1,500 are still working

672
insurance companies operating in California had their investment portfolios examined for climate related risks

410.26
ppm was the recorded concentration of CO2 in the atmosphere, the first time it has been above 410 ppm

115
million people globally rely on basic energy provided by solar lights

100
percent of Starbucks coffee is to be ethically sourced in partnership with Conservation International

20
percent of Americans plan to buy an electric car for their next vehicle purchase

7.9
% above estimates is the reported earnings for S&P 500 companies for Q1 2018, so far

3.3
percent is the forecasted average economic growth for the EBRD 37 countries, up 0.3 percentage points

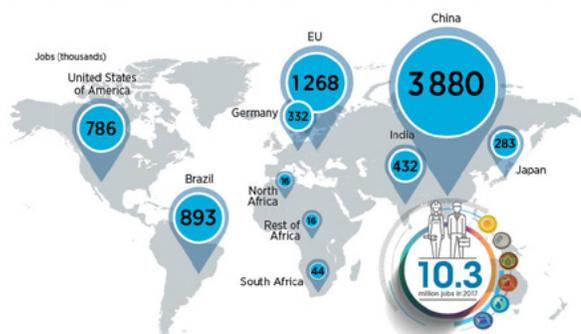
2
million people in Africa are scheduled to receive an oral cholera vaccine in the near future

INFOGRAPHIC OF THE WEEK

Renewable Energy and Jobs
Annual Review 2018



The renewable energy sector employs 10.3 million people, with most jobs in Asia.



Source: [IRENA](#)

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RENEWABLES

Employment bonanza

The renewable energy industry added a further [500,000 new jobs](#) in 2017 according to the International Renewable Energy Agency (IRENA). This means that this industry employed 10.3 million at the last year. (See our Infographic of the Week.) 70% of these jobs are in six countries – China, Brazil, US, India, Germany and Japan, while 60% of the employment is in Asia. By sub-industry, solar PV is the largest employer (3.4 million), up 9% from 2016. Two-thirds of these jobs are in China. Stronger growth was recorded in biofuels, up 12%, although it employed fewer people at 1.9 million. In third place was large hydro employing 1.5 million.

WORTH A LOOK

Luxembourg has [launched](#) a Green Exchange for socially responsible funds. The [LGX](#) aims to 'provide issuers, asset managers, and investors with an environment for bonds and funds that are truly green, social, sustainable, or ESG focused'.

WORD OF THE WEEK

Biofence - Barriers comprising floating materials in meshes that collect trash floating down rivers

QUOTE OF THE WEEK

“ I do not believe in imposing my political opinions on the activities of our businesses, and if we get into what companies are pure and which ones aren't pure, I think it is very difficult to make that call.

– [Warren Buffett](#), Berkshire Hathaway CEO

UN CLIMATE TALKS

Not running to plan

It was always going to prove tough to hammer out the details of the Paris Agreement which was signed by 197 countries, in 2015. So it proved in [Bonn](#) this week where a stalemate was reached. The talks were hoping to provide [answers](#) to questions such as 'How will national pledges to slash greenhouse gases be measured and verified?' 'Should China and India be held to the same standards at Europe and the US?' 'How will financial promises be funded?' With the Agreement due to come into force in 2020, solutions will be needed at the Polish meeting in early to mid-December. An extra interim meeting is now planned in order to get the process on track again. The EU's chief negotiator stated that 'We have been here for two weeks and fell short of what was foreseen. We were not even close'.

WE'RE WATCHING

A recent research [paper](#) argues that tourism has a much larger global footprint than previously thought, 'four times more than previously estimated'. It states that 'the rapid increase in tourism demand is effectively outstripping the decarbonization of tourism-related technology.'

DID YOU SEE?

Trucost, part of S&P Dow Jones Indices, has launched a [SDG Evaluation](#) tool which will provide a quantitative analysis of corporate performance against the UN Sustainable Development Goals. The analysis will cover the complete value chain.

READING LIST



Root and branch: How forests underpin the sustainability agenda
CDP

Electric Aviation Is the Next Big Thing
Clean Technica

LISTENING LIST



When an algorithm decides your fate
Babbage

Economics in the Doghouse
Business Daily

BELIEVE IT OR NOT

A study of communities where people are more likely to live past 100 revealed that one of the main factors shared amongst centenarians is having a strong sense of purpose. [READ MORE](#)

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