

BIG OIL'S CLIMATE PINCER MOVEMENT?

Upstream and downstream, big oil is being squeezed


Upstream: The Obama administration is [tightening controls](#) on the US fracking industry, requiring producers to reduce methane leaks. Rules were finalized this week by the [EPA](#). Meanwhile, several oil majors are abandoning oil rights in the arctic as crude oil prices are plummeting, forcing oil companies to cut spending.

Downstream: Oil and gas refiners are [under pressure](#) to use a carbon price, pushing the cost of production higher.

Meanwhile, the [catastrophic fires](#) in Western Canada this week triggered a discussion of whether or not climate change contributed to or even exacerbated the fires.

[READ MORE](#) (subscription required)

@SICMGMT TWEET OF THE WEEK

 S&P Warns of Climate Risks to Financial Sector <http://www.bna.com/sp-warns-climate-n57982070751/> ... via @bloombergbna

WE'RE WATCHING

Top palm oil producer, [IOI](#), sued Roundtable for Sustainable Palm Oil ([RSPO](#)) over deforestation allegations. The company was suspended by RSPO last month over allegations that it had deforested Indonesian rainforests. The suit claims that the company did no wrong and the RSPO had no right to suspend its sustainability certification. [READ MORE](#)

TACKLING CORRUPTION ELSEWHERE... BUT NOT AT HOME

Britain's prime minister, David Cameron, hosted an international anti-corruption [summit](#) this week. Forty countries [sent representatives](#), including the US and the UK. Some say the summit did not live up to expectations, criticizing it for being poorly organized and poorly attended. While US Secretary of State, John Kerry, condemned corruption at the

conference, the US came [under pressure](#) over its [failure](#) to "create a register of the real owners of companies registered in the country". And the US isn't the only one under pressure. Research found that nearly [400 companies](#) listed on the London Stock Exchange are based in offshore tax havens.

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THIS WEEK IN NUMBERS

390,900

is the estimated number of plants known to science.

80,000

Africans per year die from yellow fever.

260

percent is the increase in home insurance premiums in Oklahoma, following an increase in earthquakes (possibly linked to fracking).

149

chiefdoms in Sierra Leone are expected to receive solar power within the next 18 months.

29

percent of senior officials in US finance and insurance are women.

8.5

trillion Yen (USD 76 billion) of Japanese coal assets are at risk of being stranded by 2021, according to Oxford's SSEE.

6.2

billion US Dollars is the estimated cost to the airline industry for curbing emissions by 2025.

5

Pacific Islands disappear as sea levels rise.

1.5

to 2.0 trillion US Dollars is siphoned from the global economy by bribes, according to the IMF

CREDIT RATING AGENCIES ARE MAKING ESG MOVES ON MAINSTREAM BONDS

This week S&P Ratings Services will examine how banks, insurers and asset managers are [preparing for the impacts of climate change](#).

The ratings agency has developed a set of indicators that it will “use to identify who in the financial sector is likely to be hardest hit by climate change and which companies are more

likely to gain from the shift to a low-carbon economy by getting involved in green finance and investing or otherwise beefing up their green credentials.”

See more in our discussion in [Insights 136](#) of Moody’s Green Bond Assessment.

WHILE YOU WERE BUSY...

...watching the Canadian fires, you might have missed the news on major droughts affecting farmland and crops in [South Africa](#), [India](#), and [Indonesia](#).

CITY AIR POLLUTION: NEARLY ALL URBANITES LIVE IN POOR AIR QUALITY

Global urban air pollution [rose 8 percent](#) from 2008 to 2013. According to the World Health Organization (WHO) more than 80% of people living in [urban areas](#) are exposed to air quality levels that exceed WHO limits. Populations in low-income cities are the most impacted.

Cities in Iran and India were ranked the [worst](#) for air pollution. See our discussion in [Insights 124](#) of measures taken in 2015 to curb pollution from cars.

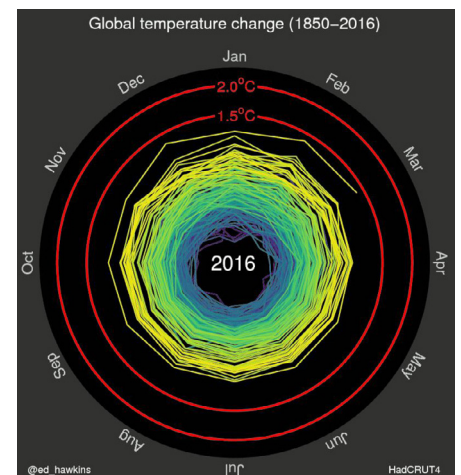
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DID YOU SEE...?

According to a State Street [study](#), more than three quarters (76 percent) of pensions professionals want to hire fund managers with a good understanding of ESG issues.

INFOGRAPHIC OF THE WEEK

An incredibly compelling graph from climate scientist Ed Hawkins of the National Centre for Atmospheric Science at the University of Reading provides an [excellent overview](#) of what’s really going on with global temperature change.



BELIEVE IT OR NOT

A few weeks ago the National Environment Research Council held a public poll to name the new polar research vessel, in which ‘Boaty McBoatface’ got the most support. They are defending the decision, saying that the increase in public interest in science was an “astoundingly good outcome”.

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