SUSTAINABLE INSIGHTS

Sustainable Insight CAPITAL MANAGEMENT

PENSION FUNDS LIST CARBON ASSET RISK AS TOP ESG-RELATED CONCERN

Funds liaise with fossil fuel firms to assess asset valuations and low-carbon strategies. Investors increase scrutiny of carbon-intensive firms in emerging markets.

Exposure to companies with extensive fossil fuel reserves and high carbon emissions ranks as the top concern among pension funds' ESG-related concerns.

The USD181bn CalSTRS has reached out to nearly 30 companies to discuss their reserves valuations and low-carbon strategies.

In Sustainable Insights - Edition 29, SICM highlighted how investors are increasing pressure on fossil fuel companies to disclose their carbon asset risks.

Meanwhile, some investment managers are turning their attention to carbon risk in emerging market investments as a large share of funds deployed in developing markets is allocated to carbon-intensive companies. This could present financial risks to investors as developing countries will account for 70 percent of projected global emissions by 2050.

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TWO-THIRDS OF FIRMS WILL INCREASE ENVIRONMENTAL SPENDING IN 2014: REPORT

Nearly two-thirds of corporations worldwide will increase environmental spending this year, with some expanding their budgets by over 10 percent.

Verdantix surveyed 250 heads of environmental, health, and safety (EH&S) groups and reported that just three percent plan to cut EH&S spending this year, while 36 percent will keep spending in line with inflation.

According to the report, Global Survey 2014: EH&S Budgets & Priorities, 30 percent of North American companies are expected to make increases in contributions to EH&S budgets. In addition, 36 percent of corporations in Europe, the Middle East and Africa plan to increase their EH&S spend in 2014.

Spending on air, soil and water pollution, permitting, waste, water and emissions will continue at a robust pace this year, according to the report, which notes that companies may be more likely to spend on EH&S than on energy management and sustainability.

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