

## NUMBER OF ESG-RELATED SHAREHOLDER RESOLUTIONS HITS NEW RECORD HIGH

Over 400 motions were filed;  
Political lobbying still the  
biggest issue.

According to Proxy Preview 2014, a report compiled by As You Sow, the Sustainable Investments Institute and Proxy Impact, the number of Environmental, Social and Governance (ESG) shareholder proposals reached 417, fifty more than last year.

Thirty percent of the proposals referred to political lobbying, while the number concerning environmental and sustainable governance issues accounted for 39% of the total, the most ever filed by shareholders.

Also noteworthy was the increase in proposals to energy companies on whether they would back legislation on mitigating climate change. Ninety proposals directly concerned climate change and energy with 22 asking companies to reduce their greenhouse gas (GHG) emissions.

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## MIXED RESPONSES TO CARBON MARKETS IN EUROPE

Russia considers domestic  
carbon market, as UN reports  
waning market influence;  
Meanwhile, Italy closes its  
own carbon market.

Russia is considering a [domestic carbon market](#) in order to reduce greenhouse gas emissions and provide additional cash flow. Russia currently favors a pact with 10-year emission-cutting targets.

Meanwhile, a report this week noted that the influence of the [UN's first carbon emissions market](#) is waning. As domestic and state-level programs set their own standards, fewer markets are accepting UN Certified Emissions Reductions from investment in carbon-reduction programs.

Italian state-owned energy exchange Gestore Mercati Energetici (GME) plans to [close its carbon emissions market](#) on March 22, more than three years after it temporarily suspended trade because of what it called "presumed unlawful" activity.

## PANASONIC TO COMPENSATE EMPLOYEES IN CHINA FOR POLLUTION

Electronic manufacturer  
compensate employees for  
living with dangerous  
levels of air pollution

The Japanese company Panasonic Corp has incorporated a payment into its annual compensation package for employees in China who belong to the Panasonic Union because of decreased visibility and increased health risks associated with poor air quality.

Panasonic employs close to 70,000 in China. The company did not disclose the amount of the payments but did note that the payments are being offered to union members, not locally hired employees. "Pollution pay" is still relatively rare among global companies.

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### \*Stat of the Week\*

According to [WSJ](#), "three-quarters of Americans say sustainability is a priority when making food purchasing decisions"

## GLOBAL GREEN BOND MARKET TO BE BUOYED BY PRIVATE SECTOR ISSUANCES

Global green bond market expected to reach USD50bn by end-2015, driven by private sector issuances.

The World Bank stated that the global green bond market may double to USD20bn by September 2014, followed by a growth to USD50bn by end-2015.

Most green bonds to date have been issued by entities such as the World Bank and the European Investment Bank ([Sustainable Insights – Edition 1](#) and [Edition 16](#)).

This trend has been emulated by private sector entities such as Bank of America (BAC US) and EDF (EDF FP). Zurich Insurance Group (ZURN VX) recently said it aims to become the largest global green bond investor, with an initial target of USD1bn.

The voluntary publication of green bond guidelines by entities such as Citi, and JP Morgan is said to have somewhat contributed to the rapid growth of green bond issuances.

The green bond principles recognize several broad categories of potential eligible green projects, including renewable energy, energy efficiency and sustainable waste management.

In [Sustainability Insights – Edition 27](#), we discussed how renewable energy firms are focusing on the bond market.

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