

## WORLD ECONOMIC FORUM RANKS WATER KEY GLOBAL RISK; WRI RELEASES WATER RISK MAP ON BBG

### World Economic Forum releases comprehensive water risk report;

This week the World Economic Forum released Global Risks 2014, a [survey](#) of over 700 leaders who identified key sustainability issues. Topping the list were water, extreme weather, and climate change. The report noted that companies in the food and energy sector are particularly vulnerable to the impacts of climate change. For example, Asda, a supermarket chain in Britain, found that 95% of its fresh produce was potentially threatened by climate change. The impacts are being felt further up the supply chain as well. Drought in

the Northwest severely impacted Anheuser-Busch's operations when water available for irrigation fell.

Meanwhile, the World Resources Institute (WRI) announced this week that it will integrate an [interactive water risk map](#)—Aqueduct Overall Water Risk—into the Bloomberg Professional Services terminal. This news comes on the heels of the World Economic Forum listing water as one of the top three global risks. The map will allow subscribers to better understand how water-related risks impact companies and investments.

## EBRD ADOPTS BROAD NEW ENVIRONMENTAL AND SOCIAL POLICIES

### European Bank for Reconstruction and Development (EBRD) adopts policy for all projects it finances

Last week the EBRD approved a sweeping environmental and social policy regarding its project financing. The bank, which was created to support the transition of Communist countries to a market economy, state that it "believes that environmental

and social sustainability is a fundamental aspect of achieving outcomes consistent with its transition mandate and recognises that projects that foster environmental and social sustainability rank among the highest priorities of its activities." The bank also promised to advocate for the inclusion of the EU environmental standards within projects it finances.

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## NORWAY SEEKS TO INCREASE DRILLING

Norway wants to allow oil and gas companies to [drill in the Barents Sea](#) (in the Arctic Ocean). Until as recently as the 1980s the Barents Sea was completely frozen, but has been ice-free for almost a decade. Some climate experts say it is too early to know if the ice will stay away, but it is not keeping companies, such as ConocoPhillips, and countries, such as Russia, from expressing interest. Drilling in the region is costly, especially in light of new safety rules that were put in place following the BP oil spill. The Norwegian Polar Institute is advising the government against opening up the area for drilling due to the uncertainty of how climate change will affect the area in winter months. Environmental groups warn that drilling near ice could severely damage fish stocks given the event of a spill.

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## GDF SUEZ LAUNCHES LARGEST GREEN BOND ISSUE; LARGE DEMAND FROM INSTITUTIONAL INVESTORS

French utility company issues popular €2.5bn green bond

The largest green bond to date was issued this week by French utility company GDF Suez.

The bond was “three times oversubscribed” as French, German, and UK institutional investors snapped it up. GDF Suez will use the proceeds of the bond to finance renewable energy and

energy efficiency projects. Environmental, Social, Governance firm Vigeo played a key role as the assurer. Vigeo developed and validated ten environmental and social criteria that each GDF Suez project will meet in order to be eligible.

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## STAT OF THE WEEK

59.2526/100: The “rural social harmony index” score of **rural life** in China. The score takes into account democracy, justice and stability. **Honesty** received a top score of 83.65, while the **relationship between humans and nature** received 50.74 points.

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## BAD WEEK FOR: LARGE UK SOLAR FARMS

Subsidies for large solar farms in the UK were slashed this week. The Department of Energy & Climate Change [revealed plans](#) to cut funding, saying that projects were being completed so quickly they risked becoming unaffordable. Owners of solar installations larger than five megawatts will need to [compete with other renewables](#)—such as wind power—for financing. Companies in the midst of building large solar projects will still be eligible for subsidies under

a new proposal that offers long-term contracts for power generators. In the past, the industry has been strengthened by subsidies and has further brought costs down through efficiencies. Despite setbacks, solar is on track to become the cheapest source of low carbon power by 2018. Some have condemned the move, saying it will weaken investor confidence in the renewable sector.

## BELIEVE IT OR NOT

Not so secret anymore: An energy certificate shows that the famous headquarters of the Secret Intelligence Service—or MI6—has a better than average energy efficiency score and carbon emissions have fallen by about 10%.

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