

BLACKROCK & UNILEVER MAKE COMMITMENT TO CPPIB'S LONG- TERM INVESTMENT PROJECT

Canadian Pension Plan Investment Board (CPPIB) initiates project to promote long-term thinking in capital markets

Global asset management firm, BlackRock and consumer good giant, Unilever have announced their participation in [the initiative](#), which will launch an initial plan next year. The "Long-Term" initiative has two primary goals. It aims to promote long-termism by creating new long-term metrics and benchmarks for companies and for investors, as well as foster engagement by investors with corporates regarding Environmental, Social, and Governance factors and long-term value creation.

The CPPIB's Head of Public Market Investments, Eric Wetlaufer, argued the case for long-termism, noting that short-termism in the market adversely influences security pricing, excess volatility and bubbles. Wetlaufer also noted that companies were telling the CPPIB that "innovation and strong financial returns are the top two benefits that can be realized if their senior executives took a longer term view when making business decisions."

QUOTE OF THE WEEK

"The increasing recognition of global 'mega-risks' such as climate change and resource depletion mean that sustainable investment must move up the agenda of everyone involved in pensions- trustees, administrators and sponsors"

—Lesley Alexander, CEO of HSBC Bank Pension Trust

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UPDATE: NEW EPA REGULATION POISED TO BOOST SOLAR INDUSTRY

New rule may impact renewables industry in several years

Sustainable Insights reported [last week](#) that the Environmental Protection Agency (EPA) and the Obama administration proposed a new rule this week that will cut CO2 emissions from existing coal plants by 30 percent by 2030, as compared to 2005 levels. The impact of the new rule may drive significant [growth in the solar industry](#) several years out. In fact, this ruling may provide

the boost that the renewables industry needs as it faces several potential setbacks. At the end of 2016, a tax credit worth up to 30 percent will expire. The head of the Solar Energy Industries Associate (SEIA) notes that "the [tax credit] has been the backbone of the growth of this industry. It begins to level the playing field a little bit with the oil and gas and nuclear and coal . . . but the reality is those other industries enjoy permanent subsidies." The new EPA ruling may change things.

RAW MATERIAL DEMAND EXPECTED TO TRIPLE BY 2050; SOME OF THOSE MATERIALS MAY BE MORE ETHICALLY SOURCED

Cost of raw materials up in China, spurred by economic growth; Demand expected to outpace supply

The United Nations' Environment Program's International Resource Panel [reported this week](#) that the global use of minerals, ores, fossil fuels and biomass is expected to reach 140 billion metric tons a year by 2050, three times the use in 2000. The cost of raw materials has also continued to climb, spurred by growth in China leading to greater demand. Rubber prices are 350 percent higher and metal prices are 176 percent higher than in 2000.

It is expected that demand may outpace supply for several raw materials, including water supplies. The panel reported that "water supplies will likely only satisfy 60 percent of

global demand in 20 years...and many industries may face shortages of key metals in 50 years".

The report also noted that energy and water efficiencies could be improved by as much as 80 percent in many industries including agriculture and construction.

As the demand for metals increases, so too may the [demand for ethically sourced metals](#). The Alliance for Responsible Mining (ARM) is working with Chopard, a luxury jewelry company to create a line of Fairmined gold jewelry. The Fairmined standard aims to bring awareness to issues such as fair wages for workers and risks that miners face. Fairmined gold comes at a price. A watch featuring the ethically mined gold will run you about USD 28,000.

STAT OF THE WEEK

Warren Buffett was spending USD 15bn on renewable energy. He's now upped that to USD 30bn.

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ANOTHER CARBON TRADER WITHDRAWS

ABN Amro Becomes Latest Bank to Withdraw From Carbon Trading

The Dutch state-owned lender, ABN Amro Bank NV, recently [withdrew from carbon trading](#), becoming the latest bank to exit the market following a price slump. Other banks which reduced their carbon

trading include Barclays, UBS, Deutsche Bank and JP Morgan Chase. ABN will continue to offer clearing services for carbon permits and offsets, according to a company spokesman. The bank has been active in the European Union emissions market since at least 2005.

BELIEVE IT OR NOT

Buildings need facial treatments too. Taj Mahal was recently given a mud-pack to remove yellow pollution stains.
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