

## CORPORATE TAX PLANNING IS A GROWING GOVERNANCE ISSUE

Institutional investors are asking if tax payments belong in the conversation about corporate social responsibility

G20 countries of the OECD Base Erosion and Profit Shifting (BEPS) Action Plan approved a plan to require the exchange of tax information by the end of 2015 in order to deter cross-border tax evasion. The International Trade Union Confederation (ITUC), the world's largest trade union federation, led an effort by unions to urge asset owners to step up pressure. ITUC says that pension funds have a moral and fiduciary duty to respond to the tax issue: "Fair and appropriate tax payments and management of tax risks must be incorporated as part of

responsible investment policies. Tax is not an external cost to be avoided but a legitimate payment that helps create sustainable long-term value."

This comes on the heels of [a new report](#) by the Tax Justice Network and the union United Voice which shows that nearly a third of companies are paying less than 10 per cent tax. A 2012 report by IBIS and Global CSR says it is becoming increasingly difficult to argue that tax should not be part of the corporate responsibility agenda, and that including responsible tax behavior would "help create a global level playing field of value to corporations as well as societies".

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## NEW SOCIAL INVESTMENT RULES RECOMMENDED FOR UK CHARITIES

The UK Law Commission—an independent UK law body—recommended new rules intended to clarify the duties charities and foundations have when making social investments. Previously, some trustees were unsure if their responsibility in making social investments was to maximize returns. The proposed changes affect the power trustees will have in making social investments. Several statutory duties will be created including the following: When making a social investment, charity trustees must be satisfied it is in the charity's best interests to do so, having regard to the expected furtherance of the charity's objects and the expected financial return.

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## IEA PROJECTS SOLAR TO BE VIABLE ALTERNATIVE TO FOSSIL FUELS BY END OF DECADE

Projection shows solar becoming the world's largest source of energy by 2050; Renewables are top share of Germany's energy supply

The International Energy Agency, IEA, released [two new reports](#) this week: Technology Roadmap: Solar Photovoltaic Energy and Technology Roadmap: Solar Thermal Electricity which highlight "expected technology improvement targets" and the policies needed to reach "priority actions and milestones". The main takeaway is that the cost of renewables

will fall so dramatically in the next 10-15 years that it will not be economically viable to rely on fossil fuels. "The take-off is around 2025 to 2030," the agency said. "By then the cost of solar will be \$100 per megawatt hour (MWh) and will compete with fuels facing carbon prices of \$50 a tonne." Meanwhile, according to researcher Agora, [clean-energy sources](#) met 27.7 percent of Germany's demand in 2014, for the first time exceeding the 26.3 percent share held by lignite coal.

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## US CONSUMERS EXHIBIT LEAST SUSTAINABLE BEHAVIOR GLOBALLY

Sustainable consumer behavior has decreased in last few years, though more consumers concerned by environmental problems

A recent National Geographic Greendex study found that the US, Canada, China, Germany and Japan ranked among the countries with the least sustainable consumer behavior of all countries surveyed since 2008. The study measured indicators such as housing, transportation, food and consumer goods.

Surprisingly, these results follow another finding that US consumers are increasingly concerned about environmental problems with the majority (61 percent) in 2014 saying they are very concerned, compared with 56 percent in 2012. Meanwhile, sustainable behavior has increased in countries such as Argentina, India, Mexico, Russia and South Korea.

Some of the findings include:

“More consumers are embracing local and organic foods and lightening their environmental footprint in the food category. Nearly all consumers believe that we need to change the way we produce and consume food in order to feed a growing population, and many say it is very important to know how and where their food is produced. Yet, relatively few people report that they do.

Consumers are anxious about climate change: 51 percent across the 18 countries surveyed in 2014 believe that global warming will negatively affect their own lives, up in seven surveyed countries from 2012 and down in none.

Furthermore, 65 percent of consumers overall believe that most scientists are convinced that human activity causes climate change”.

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### STAT OF THE WEEK

The new study, conducted by the World Wildlife Fund (WWF), the Zoological Society of London and other organizations found that overall animal populations fell 52% between 1970 and 2010. The fastest declines were seen in rivers and other freshwaters systems, where populations fell 76% since 1970.

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### BELIEVE IT OR NOT

This trend is growing in popularity: Skin care designed to protect against pollution. New products are hitting US and Asian store shelves with claims of removing pollution and “enhancing the skin’s natural defense system”.

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