

## WATER MOVING UP CORPORATE AGENDAS AS MAJOR BUSINESS ISSUE

Many industries facing water scarcity, quality and availability threats; CDP warns they may not be reporting the risks

Water is on the agenda in board rooms more often these days. Water quality, quantity and regulations [affect companies across many industries](#). Shortages are not only affecting brewers and soft-drink producers, whose products are made of water, but also those that use millions of gallons in their industrial processes. It impacts almost all firms that do business in water-stressed countries, which include China and India.

According to a [new CDP survey](#), “two-thirds of respondents think water risk could produce a substantial change in their business, mostly within three years.” According to CDP’s survey, two of the industries that are most exposed to substantial water risks are oil and gas, and power utilities.

A prominent hydrologist also warned that the world’s [water security is a major issue](#), noting that groundwater—which accounts for half of the irrigation water used to grow food—can no longer be replenished in many areas.

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### DID YOU KNOW...?

The Rio 2016 Olympic organizing committee says it will offset [3.6 million metric tons](#) of carbon emissions — the total amount of emissions expected to be generated by the Olympic and Paralympic Games. And the medals will include recycled metal to boot!

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## JAPAN’S GPIF MAY BE CATALYST FOR CHANGE IN CORPORATE JAPAN

Government hopes to reinforce best corporate governance practices

Under the leadership of Prime Minister Shinzo Abe, the Government Pension Investment Fund of Japan (GPIF) is making a push to improve corporate governance and raise the return on equity for shareholders. A new third-party report on governance of the USD 1.1 tn fund—which emphasizes making the fund more independent, more transparent, more activist and more risk taking—will be made public this week.

Critics fear that this push may mean the government is even more involved in the financial markets. But others, including the Minister of Health, Labor and Welfare, Yasuhisa Shiozaki, believe that “after 20 years of a deflationary mindset, Japan Inc is too conservative and is hoarding too much cash, rather than investing and contributing to Japanese growth.”

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## AUTO MAKERS DEALT BLOWS OVER ENVIRONMENTAL VIOLATIONS

Global car makers come under fire for not addressing environmental and governance risks

Are auto makers the new big oil? Several automakers have been slapped with investigations in recent months. In China, a car maker was ordered to pay for a violation of the [Anti-Monopoly law](#). China has simultaneously been battling worsening air pollution, which

is further restricting new [car registrations](#) in major cities. Meanwhile, the Environmental Protection Agency and Justice Department recently reached a settlement with two auto makers that emitted [4.75 million metric tons](#) of GHG emissions over what they had said they would release. Both companies will need to pay a civil fine.

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### STAT OF THE WEEK

22: The number of industrial Carbon Capture Storage (CCS) projects operating or under construction in 2014. The number has doubled since 2011.

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## BRIEF UPDATE: IPCC AND UN RELEASE REPORTS ON CLIMATE CHANGE

The [IPCC's 5th report](#), released November 2nd, noted that it is "extremely likely—probability of over 95%— that climate change is the product of human activity," which strikes a different tone than its first report, released in 1990, which said that it was just as likely as not that climate change was due to natural variability.

The report also noted that climate change has greatly impacted natural systems but has not had the same impact to human welfare. For example, the report cited "low confidence"

that the increase of flooding is linked to climate change while impacts to human health are not well quantified. The impact to agriculture has been mixed, with production of some crops, such as maize, down, but rice yields are up.

[More analysis here \(Nov. 5 episode\)](#)

Meanwhile, [the UN released a report](#) this week saying "governments can keep climate change in check at manageable costs but will have to cut greenhouse gas emissions to zero by 2100 to limit risks of irreversible damage".

### BELIEVE IT OR NOT

If you've ever wanted a penguin's eye view of the world, here's your chance. Scientists introduced a "robo penguin" to help research the emperor breed. [READ MORE](#)

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