

MANAGEMENT TEAMS ADOPTING SUSTAINABILITY BUT MAY NOT BE COMMUNICATING WITH INVESTORS

Cost and investor pressure are top drivers; management taking longer-term view

Energy and sustainability management company Ecova published its second annual energy and sustainability predictions based on a survey of over 500 energy, facility, finance and sustainability professionals. The report reveals that cost savings is the primary driver of sustainability (beating other drivers such as regulation, investor concern, physical risk, and consumers). This is the same top priority as last year. This year's survey found that while cost savings is still a

priority, professionals are taking a longer-term view, in part due to increased shareholder pressure. Download a free copy of the ECOVA report [here](#).

The UN Global Compact and Accenture released its [CEO study](#) on sustainability, finding that while over 50 percent of management reported that they are able to capture opportunities presented by sustainability, only 9 percent of investors believe this to be the case. Above all, it appears to be a communication problem.

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(ALMOST) A GOOD WEEK FOR: MARINE LIFE

EU ministers set fishing quota; White House cracks down on illegal seafood trade

European Union fisheries ministers agreed this week to set new "catch quotas" for 2015, though environmental groups say it's not enough. Although the ministers used scientific advice to set the limits on fish such as herring and mackerel, they did not follow all recommendations, eliciting criticism.

A White House task force proposed to tighten the grip on the illegal global seafood trade. Under [the plan](#), the United States would create a program to "trace seafood entering its ports from the source to the shelves, to prevent illegal products from getting into the domestic market".

Meanwhile, tiny [single-celled microbes](#) found living 2,400m beneath the seabed off Japan. Scientists hope that the finding will help them understand the role that these organisms play in the carbon cycle.

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HAPPY HOLIDAYS!

Wishing you a joyous holiday season and a happy new year.



Sustainable Insight
CAPITAL MANAGEMENT

DIVERSITY OF GREEN FINANCIAL PRODUCTS ACROSS SOURCES AND GEOGRAPHIES

Solar crowd-funding, green bonds and social impact bonds

Solar developer Solarcentury announced this week that it has teamed up with investment platform Abundance Generation to allow businesses deploying solar rooftops to reach a [broad base of investors](#) including employees, customers and the general public, that will be able to invest in their solar arrays.

Meanwhile, Korea considers launching Asia's first social impact bond. Seoul city council members will vote on whether to implement the [social impact bond](#), backed with USD 1.3M in investment from Daewoo Securities, a brokerage and investment firm. The bond will fund a project designed to support young people in Seoul by increasing their educational standards.

Green bonds also continue to grown in New York City. Carol Kostik, New York City's deputy comptroller for the city's public finance department noted last week that "the city's Municipal Water Finance Authority alone issues roughly \$1.5 billion in bonds a year", and that a significant proportion could be identified as "green bonds".

She also noted that NYC's green bond program has been under development now for about a year. The office is currently "in the process of establishing its own standards for what constitutes "green," and has formed a working group to examine other issuers' criteria and meet with key investors."

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STAY TUNED..

Approximately 50 global institutional investors are backing the filing of a climate change resolution for Royal Dutch Shell's annual general meeting (AGM) mid next year.

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POLITICS OF CLIMATE CHANGE SEEN ON A GLOBAL AND LOCAL SCALE

Politics collides with climate change plans in Paris and the EU

The Paris City Council hopes to limit the number of vehicles in the city's center, a move they hope will [curtail pollution](#) in the congested city. However, the battle has become political, with some calling it a war against automobile owners.

Meanwhile, the EU plans to improve air quality standards by enforcing [stricter national limits](#) on key pollutants, which will help the environment and the economy, the European Commission found. However, because air pollution travels freely across borders, this may be politically challenging to enforce.

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INSURERS WARNED ON CLIMATE RISK

Regulators push insurers to account for climate change; Affects taking toll on real estate

Regulators are warning the U.S. insurance industry to start paying attention to the [climate change risks](#) that face their clients' policies and investments under management. Myron Kreidler, the insurance commissioner for the State of Washington urged insurers not to rely on "what they've done historically". The National Association of Insurance Commissioners have been monitoring climate change for almost a decade and has been

instrumental in the movement to push all insurers to consider climate change risks including the close monitoring of building codes.

Meanwhile, climate change is beginning to take a toll on [property values](#) in coastal cities in the U.S., especially considering the lifetime of a 30-year mortgage. The [Risky Business](#) report—a collaboration between Michael Bloomberg, Tom Steyer and Henry Paulson— noted that with potential increases in the number of and intensity of hurricanes, the total annual price tag for coastal storms will increase to about USD 35 billion.

DID YOU KNOW THAT...

2014 was the warmest year in Europe since the 1500's?

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HOLIDAY EXTRA

Think you know how much alcohol you're consuming at this year's holiday party? Think again. You may be *eating* more [alcohol](#) than you think! According to [research](#) published this year by the USDA it takes a lot of cooking

to completely burn off the alcohol in a dish. So all alcohol may not evaporate during cooking, as previously thought. It all depends on the preparation! And with that, we hope everyone has a safe and happy holidays!

BELIEVE IT OR NOT

A new risk to our atmosphere: Squirrels? Scientists have found that ground squirrels are hastening the release of greenhouse gases from the earth's permafrost, the source of a great deal of carbon.

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