

CORPORATE TRANSPARENCY ON THE RISE IN EU AND CALIFORNIA

Multiple employer pensions in EU vote to require large firms to disclose more tax information; CalSTRS also issues best practices

Multiple employer pensions (MEPs) in the EU announced this week that large firms and listed companies should be required to disclose information, on a country by country basis, on profits made, tax paid on profits and public subsidies received. The proposed amendments intend to “boost transparency and foster shareholders’ long-run commitment to companies,” as well as fight tax evasion and tax avoidance. The amendment was approved by 556 votes to 67, with 80 abstentions.

Meanwhile, The California State Teachers’ Retirement System (CalSTRS) issued [guidelines](#) this week for what it considers the composition of a high-performing corporate board of directors. Some of these qualities include independent leadership, diversity, board succession planning and accountability measures. “We think these best practices will help corporate leaders decide how best to structure their boards to optimize long-term corporate performance,” said CalSTRS Corporate Governance Director Anne Sheehan.

A deeper dive on CalSTRS corporate governance principles can be found [HERE](#)

IMF MOVES ON SUSTAINABLE DEVELOPMENT GOALS

The Fund boosts its lending and support operations

The International Monetary Fund (IMF) announced this week that it is increasing its lending to the world’s poorest countries by 50 percent. This is part of its full revamp of its operations to help developing countries meet their economic development goals.

The announcement comes ahead of a United Nations conference next week on how to finance development when global growth is slowing and foreign aid budgets shrinking. An estimated \$2 trillion to \$3 trillion in new investment is needed to achieve the United Nation’s agenda, which includes 17 Sustainable Development Goals.

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THIS WEEK IN NUMBERS

350

percent increase in UK electric car sales in the first half of 2015, compared to the same period last year.

178

billion USD is the fund size of Temasek which says it will consider ESG factors when making decisions as an investor, asset owner and shareholder.

100

million USD is the suggested contingency fund for WHO for future emergencies, to be fully financed by member states.

100

trusts and foundations have signed up to the [Divest Invest Initiative](#), with assets worth more than USD 5 billion.

100

is the number of constituents in the the Taiwan Stock Exchange (TWSE) newly launched ‘TWSE Corporate Governance 100 Index’, the first self-compiled corporate social responsibility type index.

12

percent is the increase in torrential rains since 1980, says climate change study.

8

million is the forecasted number of people who will die from tobacco-related diseases by 2030, the WHO estimates.

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GREEN BOND SURGE CONTINUES

Nearly USD 600 bn in green bonds have been issued in last 10 years

In [Insights 50](#) we wrote that the [green bond market](#) was growing rapidly in 2014, with many bonds being two or three times oversubscribed. Green bonds, which are all investment grade, are defined as financial instruments which link the proceeds from the bond issue to environmental projects or investments. In 2014 the [green bond market](#) hit USD 36.6bn.

A state of the market [report](#) by Climate Bond Initiative that was released this week reported that almost USD 600bn worth of climate-related bonds have been issued in the past decade, with those [labelled green bonds](#) making up over 10 per cent of the market (*subscription required*).

Transport bonds dominate the climate bonds universe, accounting for 70 per cent of issuances, with clean energy the next biggest on 20 percent.

FEEL GOOD FACTOR

A [study](#) published this week in [The Lancet](#) found that an inexpensive cholera vaccine appears to give individuals more than 50 percent protection against cholera and reduced life-threatening episodes of the infection by about 40 percent in Bangladesh, where the disease is prevalent. This vaccination – which costs \$3.70 per dose – could be game-changing for regions such as Haiti, which experienced a cholera epidemic in 2010 that killed nearly 10,000 people.

THE DOWNSIDE OF RENEWABLE POWER

Power surges across borders affecting millions

Germany is producing so much renewable energy (fivefold increase in the past decade) that it's now spilling over into neighboring countries' grids and increasing the threat of blackouts from surges. Poland and the Czech Republic

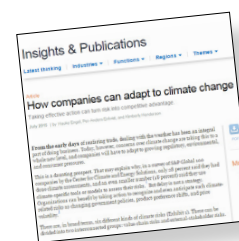
are spending USD 180 million on equipment to protect their systems from German power surges. Wind energy production is so high that on a windy day, the overflow east can exceed the output from four atomic reactors.

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WORD OF THE WEEK

[Macroscope](#). Images from satellites are helping researchers “see things that are too large to be taken in by the human eye.” This could have major impacts on everything from economic development to identifying drought risk.

WHAT WE'RE READING THIS WEEK



McKinsey: How Companies Can Adapt to Climate Change ([link](#))

BELIEVE IT OR NOT

Not your typical protesters: Groups of jellyfish are clogging power plants worldwide, threatening to shut down operations!

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LETTER FROM THE EDITOR

Dear Subscribers,

First, we want to thank you for subscribing to our weekly Sustainable Insights newsletter. This week we celebrate a milestone—our **100th edition**. To commemorate this, we wanted to share with you a “best of” list that we’ve seen over the last 100 Insights Newsletters.

Best coordinated effort on climate change – 196 countries will be discussing climate change at the [United Nations Conference on Climate Change](#), which will be held in Paris in December 2015 ([Insights 95](#)).

Best surprise – China, world’s biggest polluter emerges as the largest green energy investor. According to the [Economist](#), China is the world’s biggest green energy investor, pledging to spend over USD275bn (twice the nations’ defense budget) over the next five years to combat pollution ([Insights 3](#)).

Best momentum – This one is a tie. Are oil and gas on the path to becoming stranded assets? [The Carbon Tracker Initiative](#) released its first report on the [Carbon Bubble](#) in 2012. The green bond market hit a record USD 36.6B in 2014 ([Insights 75](#)).

Best big data application – A group of researchers have been using Google Trends to identify search terms for a one-year period and compared them to U.S. Centers for Disease Control (CDC) data to predict non-communicable disease ([Insights 86](#)).

Best time to buy an electric vehicle in Asia – Japan will offer significant subsidies for hydrogen-powered cars; China is urging government officials to buy green cars ([Insights 52](#)).

Best word – ‘Macroscope’. Images from satellites are helping researchers “see things that are too large to be taken in by the human eye.” This could have major impacts on everything from economic development to identifying drought risk ([Insights 100](#)).

Best year for shareholder resolutions – 2014. According to Proxy Preview 2014, a report compiled by [As You Sow](#), the Sustainable Investments Institute and Proxy Impact, the number of Environmental, Social and Governance (ESG) shareholder proposals reached 417, fifty more than 2013 ([Insights 33](#)).

Best perseverance – Sustainability Accounting Standards Board ([SASB](#)) released sustainability accounting standards for several industries since it completed its first standard in 2013. They are covering 11 sectors, completing them all this year ([Insights 49](#) and [99](#)).

Best “believe it or not” – This is not the kind of pollution we usually report on: Noise pollution. Venice, Italy hopes to cut down on noise by banning suitcases on wheels from rumbling down the city’s cobblestone streets ([Insights 70](#)).

Best time to be a drought resistant plant – [NASA](#) satellite data shows that 8 of the earth’s 37 largest aquifers are now “overstressed” – meaning they don’t have enough water flowing in to meet the demand. ([Insights 97](#)). Brazil, California and India have been hit particularly hard recently.

As always, we enjoy hearing from our subscribers so please don’t hesitate to provide feedback.