

CORPORATE GOVERNANCE IN JAPAN

Toshiba scandal sparks new debate about Japan's corporate governance

Investors are criticizing Japan's corporate governance practices after an independent report was critical of management for inflating profits by \$1.2 billion over several years.

Corporate governance experts and institutional investors are calling for harsher criminal sanctions for fraud and whistleblower protections to improve corporate transparency.

Prime Minister Shinzo Abe has implemented several measures to improve corporate governance as part of his plan to improve Japan's economy

and entice more foreign capital. Last month the government introduced new rules requiring listed company boards to appoint at least two outside independent directors. However, this didn't prevent Toshiba's governance upheaval this week. Toshiba already had four independent directors as part of its 16-person board.

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Meanwhile the Rainforest Action Network ([RAN](#)) has published guidance on corporate governance in Japan. [READ THE GUIDANCE HERE](#)

THIS WEEK IN NUMBERS

700

is the number of companies in a new corporate water management benchmark to be delivered by CDP and South Pole Group.

500

thousand is the approximate number of 'Fair Price' shops selling subsidized grain in India.

300

million US dollars was the size of China's first green bond.

230

million Proctor & Gamble laundry products are to be packaged in bottles made of up to 50 per cent recycled plastic.

54

is the multiple of pay that management executives of the German DAX 30 companies earn when compared to salaried employees.

1.53

degrees Fahrenheit was the global and sea surface temperature of the Earth (Jan-Jun) this year, above the 20th century average.

IS ESG NOW MAINSTREAM? GOLDMAN SACHS THINKS SO

Goldman Sachs Asset Management (GSAM) said this week that it considers environmental, social and governance (ESG) investing mainstream – and that awareness of ESG factors is “a minimum requirement”.

Hugh Lawson, who leads Goldman Sachs's ESG efforts globally noted the firm's stance on ESG in a podcast on Goldman's website titled “The New Bottom Line.”

Lawson noted; “We think ESG investing has gone, in essence, mainstream and that most investments going forward will need an awareness of ESG factors at a minimum and then at a more extreme sense people will be deploying capital there.”

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PROMISING WEEK ON THE HEALTH AND MEDICAL FRONT

This week we saw progress in several medical-related areas.

After a teenager in France was effectively cured of the [AIDS virus](#), researchers now aim to replicate those results on a grander scale. Researchers are attempting to find a cure by treating HIV shortly after infection, then interrupt the regimen to see whether the virus returns. “The experiment will cost about \$5 million and could start next year with more than

100 patients,” said Steve Deeks, the trial leader and a professor of medicine at the University of California, San Francisco.

Meanwhile, this week the last four cases of Ebola in Liberia were released from a treatment clinic in the country’s capital. There are no more confirmed carriers of the deadly virus in the West African country.

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WHAT WE’RE LOOKING AT: EARTH FROM ABOVE

Yesterday, [NASA](#) released a photo of Earth from its Earth Polychromatic Imaging Camera (EPIC) camera on board NOAA’s Deep Space Climate Observatory (DSCOVR) spacecraft. The image shows the planet in great detail.

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SURVEY: STOCK EXCHANGES MAKE GOOD PROGRESS ON SUSTAINABILITY

A [survey](#) by the World Federation of Exchanges found that increasingly investors are paying attention to the sustainability practices and policies of companies as a factor in their investment decisions. Thirty nine percent of exchanges who responded to the global exchanges survey stated they had received ESG-related queries from investors, of which 10 said that such inquiries are increasing.

The survey found that ESG concerns are becoming widespread among global capital market participants. The role of exchanges is to “provide an important informational and regulatory nexus on ESG issues between companies and the capital markets which serve their financing needs.”

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