

## U.S. CORPORATES SUPPORT CLIMATE CHANGE INITIATIVES

### Big corporate names pledge support for the White House's initiative

Several large U.S. corporate names pledged their support this week, committing billions of dollars in green financing pledges. [The commitments](#) show support for the Obama administration's campaign: American Business Act on Climate Pledge, in the lead-up to the Paris climate talks in December.

Google, Apple, GM, Microsoft, and Goldman Sachs and several other well-known companies joined the White House in launching the campaign, which will

inject USD 140 billion in low-carbon investments into the global economy. Mindy Lubber, president of environmental investor group [Ceres](#), noted that "voluntary commitments alone will not get us the meaningful reductions we need.. Strong carbon-reducing policies are hugely important". For example, none of the companies that pledged were from the fossil fuel industry.

[View a video on the 13 companies that made the pledge](#)

## INVESTMENT BANKS UP THEIR ESG PROFILE

### B of A, Goldman Sachs and several others investment banks make green financing commitments

Banks, such as Deutsche Bank, Goldman Sachs and Bank of America, are pursuing [social impact bonds](#), despite mixed success of similar bonds. As part of a recent social impact program – a plan to reduce recidivism at New York's Rikers Island jail – Goldman lost USD 1.2 million, which would have been recouped had the program met its goals.

Nonetheless, "the idea of social impact bonds, also called pay for performance contracts, has appeal for those who continue to participate in and seek deals in that space".

Meanwhile, Bank of America announced that it will increase its environmental push by pledging to increase the bank's current [environmental business initiative](#) from USD 50 billion to USD 125 billion in low-carbon business by 2025 through lending.

Dutch bank ABN Amro will become the first bank to [commit to reporting on human rights](#) using the UN Guiding Principles Reporting Framework. The [UNGP](#) Reporting Framework is supported by an investor coalition of over 80 global investors representing over \$4.25 trillion assets under management.

Lastly, a new lending and investment policy [tool](#) for financial institutions was released this week.

### THIS WEEK IN NUMBERS

**16,336**

is the number of EU vessels in a new database which will assist in monitoring for over-fishing.

**326**

acres is the size of the rubbish dump for eastern Mumbai.

**80**

billion Yen is the amount in Japanese dormant accounts that is being considered for social fund investment.

**69**

billion US dollars by 2019 is the predicted worth of the US green building sector by 2019.

**24**

is the hours of curfew that has been suggested for cats living near areas with threatened species.

**3.2**

basis points of turnover is the average cost of auditing for Japanese listed companies (with \$500m or more in sales). In the US the equivalent fee is 11.8 bps.

**0**

is the number of new cases of Middle East Respiratory Syndrome (MERS) reported in South Korea in the last three weeks ([subscription required](#)).

## CAN CEO PAY LEVELS REALLY INFLUENCE CONSUMERS?

The Securities and Exchange Commission (SEC) is [expected to implement a rule](#) that would require companies to disclose the pay gap between chief executives and employees. The [pay ratio](#) rule would put in place a measure “without broad exclusions”. It would be a “setback to companies and their trade groups”, some close to the matter noted. A WSJ article states that the SEC intends

to allow companies to exclude 5% of its overseas workforce from the measure.

Does this matter for the companies? [Research from the Harvard Business School](#) says that in fact it does. Consumers prefer firms with lower CEO-to-Worker pay ratios according to a study.

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### WE’RE KEEPING AN EYE ON

Antibiotics in food.

Wendy’s is the latest fast food restaurant to test out antibiotic-free chicken items in select markets to gauge customer interest, following the footsteps of other chains, such as McDonald’s, which pledged to stop using antibiotics in chicken production by March 2017. See also: Insights [85](#), [88](#).

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## COAL – DISAPPEARING DIVIDENDS?

The news isn’t great for coal. Peabody Energy Corp. announced this week it is [suspending](#) quarterly payments to shareholders to save cash. Furthermore, [subsidies for coal exports](#) may be disappearing. The EU will push for a new policy that will phase out funding to export coal technology to developing countries.

Meanwhile, tourism has [overtaken coal](#) to become Australia’s second-largest “export”. Lastly, measuring coal divestment just became easier. FTSE Russell just launched a global index suite that excludes coal.

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### BELIEVE IT OR NOT

You can’t make this up. A Loughborough company claims to have made “flatulence-proof pajamas”

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