

## MIXED MESSAGES ON COAL

Japan still reliant on coal; India is looking to expand coal production; Australia fund is grilled on fossil fuel investments

Of all G7 countries, Japan is lagging the most on reducing coal reliance ahead of Paris. The country is ranked last in seventh place of G7 countries with over 27GW of additional [coal power capacity planned](#). Germany is ranked sixth. Meanwhile, India may buy [coal mines](#) in South Africa to feed its expanding steel industry.

Oslo, Norway became the world's first capital city to [fully divest](#) from fossil fuels. The city

government plans to divest Oslo's £7m (USD 11M) pension fund and it is aiming to halve greenhouse gas emissions by 2020 and become fossil free by 2030.

Australia's A\$117.8bn (€75bn) sovereign wealth fund recently faced [extensive questioning](#) in Parliament over its fossil fuel holdings.

Meanwhile MIT rejected demands from a student-led group [to divest](#) its USD 13.5B endowment of fossil-fuel investments, joining universities such as Harvard and Yale.

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### \*BREAKING NEWS\*

Yesterday the U.S. Labor Department revised its guidance regarding investments made by ERISA retirement plans, enhancing their ability to consider environmental, social and governance (ESG) factors.

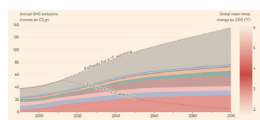
## GLOBAL HEALTH: FOLLOW THE RULES, OR ELSE

This week a U.N. panel considered how to [hold governments accountable](#) for failing to stick to global health rules. "This goes back to governments. If they sign up to the international health regulations they need to honor their commitment. Because if they don't do their part they pose a risk to their neighbors and beyond,"

World Health Organization ([WHO](#)) Director-General Margaret Chan told a news conference. Meanwhile, the United States and Saudi Arabia may work together to [prepare a vaccine](#) for Middle East Respiratory Syndrome (MERS) to try and head off the next outbreak of the disease

### TRY THIS AT HOME

What is the world doing to fight climate change? Explore different outcomes and create your own emissions model with this fascinating (and fun!) [tool](#).



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### THIS WEEK IN NUMBERS

200

law suits have been filed against VW since the emission scandal.\*

81

corporates back a strong Paris climate agreement.

80

percent is the drop in number of plastic bags distributed in Scotland since the introduction of a 5 pence charge.

34

pages is the size of the new draft climate change agreement, as the original 89 page document was reduced to 20, causing outrage from developing countries.

6.9

billion US Dollars was the issuance of green bonds in the third quarter of 2015.

4

out of 5 SEC commissioners could be women, if nominations are confirmed by the Senate.

3.3

trillion is the estimated cost to the environment of industrialized farming practices calculated by [Trucost](#).

2

degrees Celcius global warming limit is the target of a portfolio policy adopted by the [UK's EAPF](#)

# SUSTAINABLE INSIGHTS

For the Mainstream Investor



Sustainable Insight  
CAPITAL MANAGEMENT

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Week ending October 23, 2015

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## ESG TRANSPARENCY FOR RETAIL INVESTORS

This week [Morningstar](#) announced plans to launch the industry's first environmental, social, and governance (ESG) scores for global mutual and exchange-traded funds later this year. Morningstar will base the scores on ESG company ratings from [Sustainalytics](#), an Amsterdam based provider of ESG and corporate governance ratings and research.

Swiss private banking group Julius Baer will be the first Morningstar client to license the ESG scores for its fund research team. Eventually Morningstar will provide ESG scores for a broad range of funds with holdings including stocks and corporate bonds and sovereign debt.

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### WATCH THIS SPACE: NUCLEAR RESURGENCE

Nuclear power may play a growing role in the fight against climate change as low interest rates make capital-intensive investments more attractive. Nuclear power is a cheaper option than coal and natural gas, the [IAEA](#) said in a recent report. [READ MORE](#)

## INCREASED PRESSURE FOR CARBON PRICING

Countries faced increased pressure this week to introduce carbon pricing [schemes](#) after the [Carbon Pricing Panel](#) coalition of world leaders and companies called for their peers to take action on the issue ahead of next month's climate summit in Paris. The meeting was

convened by [World Bank Group](#) President Jim Yong Kim and the [IMF's](#) Managing Director Christine Lagarde. They are joined in this effort by [OECD](#) Secretary General Angel Gurría. Private sector support is spearheaded by Anne Stausboll, CEO of CalPERS.

### WHAT WE'RE WATCHING

#### Canada and Climate Change

Canada's newly elected Prime Minister, Justin Trudeau, will arrive in office with a promise to improve Canada environmental image. He is promising a [new strategy](#) for global climate negotiations in Paris this December, but he has yet to say how he will achieve his goals. [READ MORE](#)

Meanwhile, Australia's new PM, Malcolm Turnbull, hopes to create a [market mechanism](#) to tackle climate change. The Turnbull government is now taking a new approach to climate policy despite its pledge to stick with the "Direct Action" climate plan.

### QUOTE OF THE WEEK

“Climate change is a ‘problem which human beings created’”

– [The Dalai Lama](#), the 80-year-old Tibetan Buddhist spiritual leader on how all of humanity is now responsible for taking action.

### BELIEVE IT OR NOT

A common ingredient found in sunscreen is toxic to coral and contributing to the decline of reefs around the world. [READ MORE](#)

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