

# INSIGHTS

## For the Mainstream Investor



Week ending December 11, 2015

Edition 122

## CO21: PROGRESS BUT A FEW STICKING POINTS

**COP21 winds down; Did they achieve the climate deal they hoped for?**

COP21 is coming to a close – one day **later than expected**. As of this publishing, the draft agreement was not available. It is expected to be finalized tomorrow, Saturday December 12th.

What is holding up the latest draft?

1. How do countries pay to reduce emissions and mitigate the effects of climate change?
2. How does the agreement differentiate between ‘developed’ countries (to be defined), who can afford the cost and developing countries who need financial support?

Finally, the question of: What is the overall target? Should nations try to limit global rises in temperature to 2C or 1.5C or by “well below 2C” - above what they were in pre-industrial times?



**PARIS2015**  
UN CLIMATE CHANGE CONFERENCE  
COP21·CMP11

“We are nearly there. I’m optimistic,” said French Foreign Minister Laurent Fabius, who is chairing the summit. He told reporters that the new version of the draft would “sure” to be approved and “a big step forward for humanity as a whole”.

Nonetheless, the talks have demonstrated investor engagement like never before.

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### @SICMGMT TWEET OF THE WEEK

RT: @Philanthropy: Even Pope Francis has praised impact investing. A look at who is participating. <http://bit.ly/1QcH9xx> @rjmanilla @philCEP @SICMgmt

## CORPORATES COMMIT TO RENEWABLES

Two more companies – Coca Cola and BMW – announced this week that they will source all of their electricity from renewable sources as part of the **RE100 initiative**, which encourages businesses to source 100 percent renewable power. In total, 53 companies have signed the pledge to secure 100 percent renewable electricity. The time frames for achieving the target vary — one company has already sourced all its electricity from

renewables, while Coca-Cola has an interim target of sourcing 40 percent of its energy from renewable sources by 2040. “The RE100 campaign is sending a clear message to Paris that the technological solutions to tackle climate change already exist, and that business supports the switch to renewable power” said Emily Farnworth, the campaign’s director said.

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### THIS WEEK IN NUMBERS

**36,000**

VW vehicles are affected by understated fuel consumption, much lower than the original 800,000 estimate.

**650**

billion US dollars is the forecasted amount of government fossil-fuel subsidies this year.

**137**

airports have earned the Airports Council International’s airport carbon accredited status, with 20 of them carbon neutral.

**74**

percent is the reduction in the average amount of energy consumed on domestic American flights between 1970 and 2010.

**59.8**

million dollars is the penalty that Japan’s securities watchdog is seeking against Toshiba, the largest fine it has ever imposed.

**54**

million gallons of water was saved by Toyota North America in 2015.

**38**

percent reduction in water costs over the past 18 months has been achieved through the CBRE’s pilot water management program.

**10**

million is the forecast for the number of people who will die from drug-resistant infections by 2050.

**7**

of Switzerland’s largest institutional investors have established a corporate engagement and ESG body.

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## FACTORY FARMING AND ANIMAL ANTIBIOTICS

A new report in [The Review on Antimicrobial Resistance](#) urged farmers to dramatically cut the amount of antibiotics used in agriculture, because it poses a threat to human health. The use of antibiotics in animals has become more common in recent years. In some cases, antibiotics are used in farm animals to treat infections, but most are administered in healthy animals to prevent infection or, somewhat controversially, as a way of boosting weight gain. Based on current rates, the global

consumption of antibiotics is expected to increase by 67% by 2030.

Last month scientists warned that some strains of bacteria are resistant to drugs, making some infections untreatable. Scientists raised the alarm after the discovery in China of a gene that makes bacteria resistant to all known antibiotics. They also warned that the spread of the resistant bacteria globally is likely ([Sustainable Insights, Edition 119](#)).

### RED ALERT

Earlier this week Beijing issued its first ever “Red Alert” for air pollution after the [air-quality index](#) hit over 300 for two and a half consecutive days. Businesses temporarily halted production and fewer drivers were allowed on the road. The loss of economic activity presents a challenge as China struggles to meet a growth target of about 7% this year.

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### HOLIDAY SPOILER

It’s the kind of ‘white Christmas’ that no one wants. Queensland’s Environment Minister said the state will soon face one of the worst ever [coral bleaching](#) events, predicted right around Christmas time.

## HAVE INDUSTRIAL EMISSIONS PEAKED?

New data from the [Global Carbon Project](#) shows that greenhouse gases from industrial sources rose only slightly in 2014 and appear to be on track to decline in 2015, suggesting that a period of rapid global emissions growth may be ending. The study was simultaneously published in the journal [Nature Climate Change](#).

Unlike past emissions declines, which have been linked to economic downtime, such as the global financial crisis of 2009, this decline is highly unusual at a time when the global economy is growing.

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## WHAT WE’RE READING



### CDP, UNEP Finance Initiative

From Disclosure to Action: The First Annual Portfolio Decarbonisation Report ([link](#))

### BELIEVE IT OR NOT

Your weekend ritual of sleeping-in may be bad for you. Social jet lag, a term used to describe following one sleep schedule on workdays and another on days off, may increase your risk of diabetes and heart disease says a new study.

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