

CHINA ASKS OECD TO LOOK AT FIDUCIARY DUTY

OECD will produce wide-ranging report on fiduciary duty of institutional investors

China's president Xi Jinping, as the leader of the G20, has asked the Organisation for Economic Cooperation and Development (OECD) to conduct a study exploring "fiduciary duty in the investment decision-making process of institutional investors." An advisor to the OECD noted that this was closely tied to the

issue of disclosure on climate-related issues as institutional investors "had to be able to look at what they are investing in and know what's disclosed. Companies must report to clients on exposure on these things". The announcement came at an event held by the FSB Taskforce on Climate Related Financial Disclosures (TCFD), chaired by Michael Bloomberg (see quote in [Insights 126](#)).

[READ MORE](#) (subscription required)

@SICMGMT TWEET OF THE WEEK

 Global pension funds prioritizing #governance, risk management #ESG #investing <http://goo.gl/6L9nlo> @asset_mgmt

WHAT WE'RE READING THIS WEEK



OECD: Financing Democracy: Funding of political parties and election campaigns and the risk of policy capture

[READ HERE](#)

WANT TO FIGHT CLIMATE CHANGE? REINVENT POWER MARKETS, SAYS THE IEA

A new [report](#) by the IEA entitled 'Re-powering Markets: Market design and regulation during the transition to low-carbon power systems' looks at low-carbon power generation shifts as the industry towards high investment in renewables and other new technologies. This new electricity market "requires a

comprehensive framework that encourages low-carbon investments and operational efficiency but also keeps security of supply as a top priority." Improving and expanding power grids, including across borders, will also be critical.

[READ MORE](#)

The above research materials are for informational purposes only. They are not an offer or solicitation for any security or investment product managed by SICM and should not be construed as investment advice. Investment strategies implemented by SICM on behalf of its clients may or may not trade or hold positions in the securities referred to above. Further, investment accounts managed by SICM may or may not employ strategies based on or related to the above research. Coffee Capsule icon by Bonturi Luca from the Noun Project

THIS WEEK IN NUMBERS

256,000

particles of plastic per square kilometer have been found in waterways of New York City and northern New Jersey.

191,000

firms were found to have broken environmental regulations in China in 2015, with 20,000 forced to shut down.

550

organizations have joined GRI GOLD Community, an engagement program from GRI which encourages greater transparency in order to achieve sustainability.

500

or more employees in a firm requires compliance with the EU Directive on non-financial reporting by December 2016.

100

percent of waste from MillerCoors breweries is recycled or sent to waste-to-energy facilities.

95

percent or more of CEO pay packages were supported by Blackrock, Vanguard, TIAA-CREF, TCW, Calamos and Waddell & Reed. CalPERS voted against 47% of remuneration packages while bclMC opposed 76%.

3.7

million cases of obesity in the UK would be avoided by a 20% sugar tax.

GREEN BOND BOOST FROM APPLE

Apple is selling green bonds as part of a larger bond sale this week. The tech company's green bond, which will mature in 2023, follows "voluntary guidelines" and the money will be used to:

- Reduce our impact on climate change by using renewable energy sources and driving energy efficiency in our facilities, products and supply chain.

- Pioneer the use of greener materials in our products and processes.

- Conserve precious resources.

Meanwhile, the European Investment Bank (EIB) has sold another €250m worth of the debt in the form of [Climate Awareness Bonds](#) (subscription required).

Follow the green bond market to date [here](#).

WE'RE KEEPING OUR EYE ON

ESG data providers become part of the financial fabric. Glass Lewis & Co. will integrate Sustainalytics' ESG research and ratings on more than 10,000 companies into Glass Lewis' proxy research and voting management platform. Sustainalytics is also working with Morningstar on [ESG scores](#) for funds. [READ MORE](#)
[And keep an eye out for our research note on the topic, coming soon!]

ISRAELI BOYCOTT – UK GOVERNMENT RESTRICTS PROCUREMENT BOYCOTTS

According to new government rules, British authorities and public-sector organizations are [banned from boycotting](#) Israeli suppliers, except in cases where embargoes and restrictions have already been put in place. See also Israeli bank boycotts in [Insights 125](#).

This just in: ClientEarth, the environmental law firm that is increasingly working with leading responsible investors, has said it would be "highly imprudent" if local authority pension funds were to follow new government advice curbing "boycotts" in public procurement.

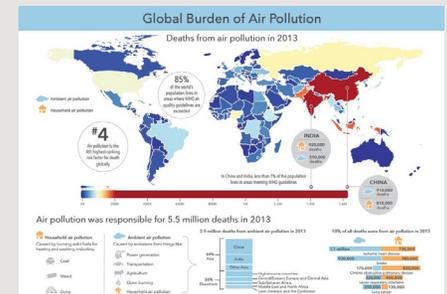
[READ MORE](#) (subscription required)

BELIEVE IT OR NOT

A thousand-year-old Anglo-Saxon recipe to cure an eye infection (think garlic and bullocks gall) may have had some merit. A modern-day recreation of this remedy seems to alleviate infections caused by the bacteria that are usually responsible for styes.

[READ MORE](#)

Infographic of the week



HealthData.org: [Global Burden of Air Pollution](#)



DID YOU SEE?

The German city of Hamburg has banned the ubiquitous small plastic coffee pods from state-run buildings as part of an environmental drive to reduce waste. [What cities are next?](#)