

DEPARTMENT OF LABOR RULES ON FIDUCIARY RULE

Rule addresses conflicts of interest in retirement advice and attempts to “level the playing field”

This week, the US Department of Labor (DOL) announced a new fiduciary rule, which will require investment advisers to put client interests above their own when it comes to retirement account investments. President Obama proposed the rule in February, and the DOL took the next step this week by issuing a Notice of Proposed Rulemaking

(NPRM) to require the “best interest standard across a broader range of retirement advice to protect more investors.”

Protections include eliminating backdoor payments and hidden fees in the small print. It is estimated that this will affect USD 12 trillion in IRA and 401(k) plans currently under advisement. The full requirements will go into effect January 1, 2018.

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@SICMGMT TWEET OF THE WEEK

 [Retweet GISR](#): Who’s trying to answer this question? Check out @SICMgmt’s “Who are the #ESG rating agencies?” which cites our work.



DID YOU SEE?

The [Wall Street Journal](#)’s [Alex Davidson](#) discusses the difficulties of defining a sustainable company. Sustainable Insight Capital Management [weighed in](#), noting that some 33% of companies report that inquiries from sustainability analysts have shaped their business strategy.

EIB ISSUES LARGEST GREEN BOND

The European Investment Bank (EIB), a pioneer of green bonds, or Climate Awareness Bonds (CABs), has issued what it says is its biggest CAB ever, raising USD 1.5bn (€1.3bn) in the process. Rated triple ‘A,’ the EIB’s latest CAB pays a semi-

annual coupon, or interest rate, of 2.125% (37.5 basis points higher than what a ten-year US Treasury issued in February).

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THIS WEEK IN NUMBERS

87

independent studies found that women on boards improve firms’ social performance and social responsibility.

60

world leaders will attend the U.N. climate signing in New York on April 22.

40

percent of the world’s adults fall into one of the following categories: Overweight or Obese according to the NCD Risk Factor Collaboration.

29

is the number of competitors SunEdison outbid to develop a ‘mega’ solar project in India – one that faces several setbacks.

15

is the number shareholder resolutions filed by investors in the US with fossil fuel companies on the issue of influence over climate policy.

2.5

trillion dollars is how much climate change could cut the value of the world’s financial assets, according to the first estimate from economic modelling from the London School of Economics.

CLEAN ENERGY INVESTMENT OUTPACES COAL

While prices for oil, natural gas, and coal have plummeted, renewables are thriving. Clean energy investment broke new records in 2015 and is now seeing [twice as much global funding](#) as fossil fuels.

What is the driving force behind the markets? In part, price. Recent renewables auctions in Mexico and Morocco ended with winning bids from companies that promised to produce electricity at the cheapest rate. [READ MORE](#)

CORPORATE GOVERNANCE ACTION OF THE WEEK

Olive Garden's parent company, Darden Restaurants Inc, came under fire from a group of activist investors arguing that the waitstaff was giving away [too many breadsticks](#), amongst other things, costing the company a lot of money. In a rare coup, the shareholder group took over the board to push for changes. Meanwhile, activist group As You Sow successfully [defeated](#) ExxonMobil's attempt to block the shareholder resolution "Carbon Asset Transition".

SASB ANNOUNCES NEXT PHASE OF STANDARDS



Today, SASB announced its next phase of standards development: a "period of deep consultation on the provisional standards and the proposed process to codify and maintain them." [READ MORE](#)

ESG MANDATES GAIN TRACTION IN ASIA

A panel discussion at the Responsible Finance Summit 2016 in Kuala Lumpur concluded that ESG mandates are gaining traction in Asia with

asset managers increasingly incorporating sustainable strategies into their investments over the past 12 months. [READ MORE](#)

WE'RE KEEPING OUR EYE ON

Brazil's mounting pollution problem.

Rio de Janeiro's heavily polluted Guanabara Bay, which will feature sailing competitions in the Summer Olympics, is under investigation. Police are reviewing the city's state-run utility Cedae for allegations of fraud at its sewage treatment plants. If inadequate treatment is proven, it can imply two crimes: pollution and fraud.

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QUOTE OF THE WEEK

“Our view was that [The Financial Stability Board] needed to follow the entire chain of capital, and to have a complete picture for lenders, investors and underwriters.”

– Mary Schapiro, Former chair of the US Securities and Exchange Commission on [how the FSB has expanded its scope](#) (subscription required)

BELIEVE IT OR NOT

This wombat ("Derek") just needs some love. Literally. An island off Tasmania is looking for a "professional wombat cuddler". Tourism Tasmania has received 2,000 applicants.

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