

UPDATE ON JAPANESE CORPORATE GOVERNANCE

One year in, companies still “paying lip service” to some of the requirements

A year ago, Japan introduced its first governance code in an effort to [improve corporate governance](#) and raise the return on equity for shareholders. Since then, public companies have returned a “[record proportion](#) of their profits to shareholders but the operator of the Tokyo Stock Exchange has admitted that many companies are still only paying lip-service to the rules.” (subscription required)

Akira Kiyota, President of [Japan Exchange Group](#) hopes that going forward the number of companies that are “genuinely trying to comply with the governance code” will increase. Since the code came into effect in June 2015, foreign investors have sold a net ¥10tn (USD 94B) of Japanese stocks and futures.

Meanwhile, South Africa plans to update its governance code – King Code – to include its first “shareholder activism” guidance.

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WE’RE KEEPING AN EYE ON...

IOI. Earlier this year Top palm oil producer, [IOI](#), sued Roundtable for Sustainable Palm Oil (RSPO) over deforestation allegations. The company was suspended by RSPO last month over allegations that it had deforested Indonesian rainforests. IOI [withdrew](#) the suit on Monday in the face of a barrage of criticism from its customers and activists.

AND...

Australia’s women on boards quota. The Australian Institute of Company Directors set a target for 30 per cent of board seats to be filled by women by the end of 2018. However, it is unlikely to be fulfilled, so the [ASX 200](#) will likely have to face [mandated quotas](#), says its chairman Elizabeth Proust.

RISING STANDARDS: GRI RELEASES SECOND SET OF STANDARDS

The Global Reporting Initiative ([GRI](#)) has released its second set of draft GRI Standards for public comment. It will be [available](#) for public comment until July 17, 2016. This latest set of 30 topic-specific, draft GRI Standards is

based on the “aspects from the G4 Guidelines, and each covers a separate sustainability topic, such as Anti-corruption, Emissions, Biodiversity, or Child labor.”

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THIS WEEK IN NUMBERS

2040

is the Gates Foundation target date for the eradication of malaria

2030

is the date set by the Norwegian parliament for zero net greenhouse emissions for the country

100

billion yuan (\$15bn) approved by China for green bond issuance in the first 5 months of 2016

17

countries, representing 0.05% of emissions, have so far fully ratified the Paris COP21 Climate Agreement

3.5

trillion US Dollars annually is the estimated economic cost of outdoor air pollution for OECD countries plus China & India

1

trillion US Dollars is the forecasted financing required to allow Chinese cities to meet their lower pollution targets

0.1

percent was the growth in CO2 emissions from energy consumption last year, the smallest advance since 2009

NOW ON THE MENU: GLOBAL FOOD WASTE STANDARD

A new international standard, launched today at the Global Green Growth Forum (3GF) Summit 2016, addresses the issue of **food waste reduction**. According to its developers, the Food Loss and Waste Accounting and Reporting Standard (**FLW Standard**) will create a globally consistent framework for measuring and managing food waste. Food

waste generates about 8 percent of global greenhouse gas emissions, accounting for the carbon footprint of food produced and not eaten. In fact, did you know... If food waste was a country, it would be the third-largest greenhouse gas emitter on the planet behind the US and China?

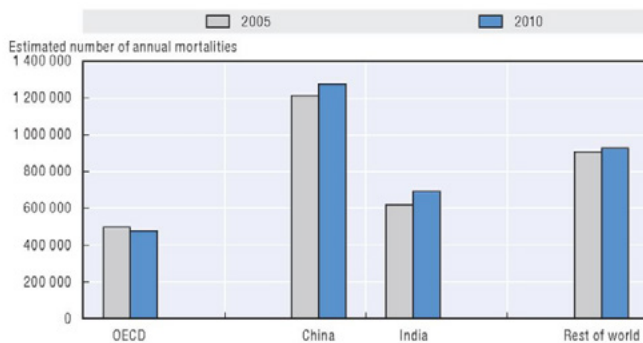
WE'RE WATCHING...

The green bond market. It appears the green bond market is facing some **growing pains** (subscription required). The market is self-regulating because no company wants to incur the reputational risk of issuing a "green" bond and not use it towards an environmental end. Meanwhile, BlackRock, Allianz, and AXA SA are setting up funds **focused** on green bonds. The challenge is finding enough of the debt to buy.

CHART OF THE WEEK

Deaths from ambient air pollution

Total number of deaths from ambient particulate matter (PM) and ozone pollution by region in 2005 and 2010



Source: Data extracted from Institute for Health Metrics and Evaluation (2013), The Global Burden of Disease (GBD) Visualizations: GBD compare. Institute for Health Metrics and Evaluation, Seattle. <http://viz.healthmetricsandevaluation.org/gbd-compare/>.

StatLink <http://dx.doi.org/10.1787/888933012826>

OECD Library

WHAT WE'RE READING



BP Statistical **Review** of World Energy
June 2016

BELIEVE IT OR NOT

Atmospheric CO₂ can be sequestered by injecting it into Icelandic wells. Could this possibly help to undo some of the damage done by fossil fuel burning?

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