

FINANCIAL INSTITUTIONS RETHINKING CARBON INVESTMENTS

BofA promises to ditch coal mining investments; Reactions to G20 discussion of stranded assets

It appears that the topic of carbon investments has gotten closer to the core of the financial industry. Bank of America released [a statement](#) on its coal policy this week at its annual shareholder meeting outlining its phase out of investments in coal mining companies and transition to focus on low-carbon investments. The investment bank noted that as one of the largest financial institutions it “has a responsibility to help mitigate climate change by leveraging our scale and resources to accelerate the transition from a high-carbon to a low-

carbon society, and from high-carbon to low-carbon sources of energy.”

Goldman Sachs Group has also [ceased mining operations](#) at one coal mine in Colombia, where revenues were deteriorating due to a combination of factors. Institutional investors such as HSBC, Citigroup and Deutsche Bank, have [also released reports](#) on the risks of stranded assets.

Responding to reports that the [G20](#) countries are believed to be launching a joint investigation into the financial risks posed by stranded assets, one writer compared the potential risks of stranded assets to the financial markets to what happened in the 2008 financial crisis.

CO₂ EMISSIONS REACH RECORD HIGH AS PARIS MEETING APPROACHES

US government experts say that CO₂ passed 400 million ppm in March

The National Oceanic and Atmospheric Administration ([NOAA](#)) reported this week that global carbon dioxide concentrations have reached a record high, surpassing [400 parts per million](#) as a global monthly average for the first time since data has been collected. “This marks the fact that humans burning fossil fuels have caused global carbon dioxide concentrations to

rise more than 120 parts per million since pre-industrial times,” said Pieter Tans, lead scientist of NOAA’s Global Greenhouse Gas Reference Network. “Half of that rise has occurred since 1980.”

This is particularly relevant ahead of the Paris climate talks, scheduled to take place this December. A few weeks ago we [reported](#) that several countries have missed their deadlines to submit emissions pledges ahead of the meetings.

THIS WEEK IN NUMBERS

3,405

meters is the length of an ice core taken from Antarctica which shows 18 abrupt climate events over 68,000 years ago.

800

million people are estimated to grow vegetables or fruits or raise animals in cities, accounting for 15-20% of the world’s food.

70

per cent of Catholics polled by YouGov say they believe the Catholic community will heed a message from the Pope on climate change.

25

billion USD is the investment that India requires to replace older, higher emission power plant capacity.

25

percent of endowments follow [responsible investing](#).

1.9

billion people were overweight in 2014, a third of which are obese by WHO standards.

NORWAY MAY SPIN OFF COAL ASSETS WHILE CHINA IMPOSES COAL BAN

Norges Bank Investment Management ([NBIM](#)), which manages Norway's USD 900bn sovereign wealth fund, asked top mining companies to consider "[spinning off coal assets](#)" to prepare for a low-carbon economy. In a letter, Norges asked unnamed mining companies to identify costs involved in "separating coal from other operations and the timeline for any such separation."

[Nordea](#), the Nordic region's largest bank is also currently "[evaluating](#) its exposure to coal producers and is looking at about 30 companies

worldwide," according to Sasja Beslik, head of responsible investments at Nordea.

Meanwhile, as part of its effort to curb air pollution, the National Energy Administration of China ([NEA](#)) will expand its [ban on coal](#) to include suburban areas as well as city centers.

The Agency will promote centralized heating and power supply by natural gas and renewables as part of its clean coal action plan 2015-2020.

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DID YOU KNOW...?

Fjords—long, narrow sea or lakedrain—are critical to combating climate change. Fjords cover only 0.1% of the world's ocean surface, but they account for 11% of the organic carbon in plants, soils and rocks that gets buried in marine sediments after being washed off the land by rivers. They are especially good at storing carbon.

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INDIA'S MARKET REGULATOR CONSIDERS NEW STEWARDSHIP RULES

In March, we [reported](#) that Hong Kong is considering comply-or-explain requirements for listed companies on Hong Kong's Securities and Futures Commission ([SFC](#)). It will be similar to UK's stewardship code and follow the lead of regional rivals Malaysia and Japan.

This week The International Advisory Board of the Securities and Exchange Board of India ([SEBI](#)) board has advised its securities market regulator to set up a UK-style [stewardship code](#). If adopted, India would be the third country in Asia to adopt a stewardship code. (*Subscription required*)

BELIEVE IT OR NOT

Scientists were able to capture an image (yes, an image) of a thunderclap by launching a rocket into a storm cloud. Even Benjamin Franklin would be impressed by that feat!

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