

DIVEST / INVEST MOVEMENT GATHERS MOMENTUM

Foundations are not just divesting from fossil fuels; Pledging to re-allocate funds to renewable energy

Last week we [reported](#) that the topic of carbon investments has gotten closer to the core of the financial industry. Bank of America may phase out of investments in coal mining companies and institutional investors such as HSBC, Citigroup and Deutsche Bank, [released reports](#) on the risks of stranded assets.

But investors may be looking to do more than sell shares or cut off the financing of fossil fuel projects. Recently, a campaign which encourages investors to [exit fossil fuels](#) and re-allocate those funds to the new renewable economy has been gaining momentum. The campaign, [Divest-Invest Philanthropy](#), which launched with the support

of 17 foundations with USD 2bn in assets has seen pledges from dozens of additional investors, bringing their total assets up to USD 50bn. The campaign has had dozens of investors—including the Rockefeller Brothers Foundation and Stanford University—sign the pledge in the last 14 months.

“Investors are increasingly looking at the economic risk. HSBC, the Bank of England and other major European institutions are now considering carbon asset risk in all of their business decisions,” Andrew Behar, CEO of [As You Sow](#), a shareholder advocacy group said, adding: “Investors no longer consider oil and gas companies a safe bet – the fundamental risk has been exposed and shareholders are demanding that companies disclose this risk.”

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WORLD BANK PUBLISHES REPORT: POLICY NEEDED FOR “DECARBONIZATION”

Report highlights economic and policy changes that will trigger change

A new World Bank [report](#) recommends specific steps policymakers can take to “decarbonize” development. The steps are laid out with data, examples and specific policy advice to get to zero net emissions. The report recommends “getting prices right” to drive change in both capital investments and behaviors.

“Choices made today can lock in emissions trajectories for years to come and leave communities vulnerable to climate impacts,” said World Bank Group Vice President and Special Envoy for Climate Change Rachel Kyte. “To reach zero net emissions before the end of this century, the global economy needs to be overhauled. We at the World Bank Group are increasing our focus on the policy options.”

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THIS WEEK IN NUMBERS

4,000

is the number of estimated land-related conflicts in Indonesia between palm producers and local communities.

50

per cent of a \$10bn climate change fund is what the Caribbean countries hope to secure prior to the Paris climate change conference.

45

billion Yen (USD 380m) is the pledged investment in Tokyo’s hydrogen-related infrastructure ahead of the 2020 Olympic games.

7.4

million barrels of oil per day were imported by China in April of this year, surpassing the USA, normally the world’s largest oil importer.

5.1

million is the number of Syrians living in areas at high risk from explosive weapons.

0

is the number of Ebola cases that have been detected in Liberia in the last 40 days.

CORPORATE GOVERNANCE ACTIVITY IN AUSTRALIA

The Financial Services Council (FSC), a wealth management industry body in Australia, has been lobbying to require that all Australian superannuation funds appoint a majority of independent directors.

A new report, titled Raising Governance Standards in the Superannuation Industry urges the Australian government to “mandate all superannuation funds have an independent chair and a majority of independent directors”.

Some have pushed back, saying that independent directors is not a guarantee for good decision making. Others think that the funds need to follow global best practices.

“It is the standard to which the FSC holds its members, consistent with international best practice, and it should be applied across all super funds in the industry,” said the council’s chief executive, Sally Loane.

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WE’RE KEEPING AN EYE ON...

Budget Transparency.

Following pressure from debt relief campaigners, officials from the United Nations (UN), World Bank, International Monetary Fund (IMF) and finance ministries are meeting in New York to develop a plan ahead of a major summit in Ethiopia in July to improve budget transparency in developing nations .

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UPDATE: ANTIBIOTIC-RESISTANT “SUPERBUG” STRAIN OF TYPHOID

We reported in [Q1 Sustainable Trends](#) that progress has been made regarding antibiotics, but that so-called “superbugs” or antibiotic-resistant strains are on the rise. Recently, an international study has found that an antibiotic-resistant “superbug” strain of [typhoid fever](#) has spread globally. It appears to be driven by

a single family of the bacteria, called H58. This “superbug” version, which is resistant to multiple types of antibiotics, is now becoming dominant. Typhoid affects around 30 million per year and is mostly seen in parts of Southeast Asia. Although vaccinations are available, they are often cost-prohibitive in many developing countries.



MARK YOUR CALENDARS

Royal Dutch Shell will hold its [Annual General Meeting \(AGM\)](#) on [May 19](#) in The Hague. Some major investors look intent on supporting the ‘Aiming for A’ climate resilience shareholder resolution.

Statoil will also hold its AGM on [May 19](#) in Stavanger. Statoil is another fossil fuel company targeted by the same shareholder resolution.

BELIEVE IT OR NOT

Polio. Rabies. Easy to spell AND pronounce. This is more important than you think. The World Health Organization (WHO) has identified best practices for the naming of new human diseases.

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