



RI ESG Briefing, October 19: GES, Impax, Investor Forum, ISO, ShareAction, Trillium

The round-up of the latest ESG news
by RI journalists | October 19th, 2016

Environmental

GES Investment Services,* the engagement services firm, has launched new engagement themes that support the Sustainable Development Goals focusing specifically on companies' management of water and carbon risk. The themes, based on GES and oekom research data, and developed in collaboration with GES clients, enable investors to address their portfolio-based exposure to climate change and water risks within a structured and goal-oriented engagement framework. Investors working with GES on the new thematic engagements include a number of Nordic pension funds and European asset owners and managers.

Impax Asset Management* says one of its funds has sold its 107.7MW wind farm portfolio in Finland to Allianz Capital Partners* – in line with the strategy of realising assets once they are operational. The portfolio comprises two projects in Lapland and one in North Ostrobothnia, comprising 35 Vestas/Nordex* wind turbines. The terms of the deal weren't disclosed.

Investment in renewable and smart energy totaled \$42.4bn between July and September of this year, dropping 31% compared with the last three months, according to [data](#) from Bloomberg New Energy Finance. It says the drop in investment, down a striking 43%, from the equivalent three-month period of 2015, comes under the impact of a summer lull in offshore wind financings in Europe and continuing slowdown in project funding in China and Japan.

The Development Bank of Japan* will issue 52 billion Yen (€456m) in new so-called SRI bonds on October 19. The collected funds will be used for companies with a focus on environmental programmes, reports the Nikkei.

Social

Trillium Asset Management* has [filed](#) a shareholder resolution with BlackRock* asking the asset management giant to issue a report about how it votes on shareholder resolutions relating to workplace LGBT non-discrimination policy.

The SRI firm said, “Based on an analysis of mutual fund voting, it has been discovered that funds managed by BlackRock voted against the majority of recent shareholder resolutions requesting companies to add sexual orientation and gender identity to their corporate equal employment opportunity (EEO) policies – to protect lesbian, gay, bisexual, and transgender (LGBT) employees that are not otherwise protected under federal and state laws.”

The proposal was filed on behalf of the Astraea Lesbian Foundation for Justice, a leading LGBT organisation.

Global standards body the ISO has [published](#) a new tool designed to fight bribery. ISO 37001 is the first international anti-bribery management system standard designed to help organizations combat bribery risk in their own operations and throughout their global value chains. “It has the potential to reduce corporate risk and costs related to bribery by providing a manageable business framework for preventing, detecting and addressing bribery,” the ISO said.

Governance

The Investor Forum, the UK investor-corporate engagement body, has [launched](#) its Collective Engagement Framework, a “step-by-step guide” for investors. It details how they can participate collectively with other investors through the forum “within the confines of the law and regulatory regime”.

Campaign group ShareAction has welcomed BP’s* “U-turn” over drilling for oil in the Great Australian Bight off Australia’s southern coast. Earlier this year, ShareAction wrote and distributed an investor briefing to over 100 investors globally outlining the operational, economic and reputational risks of the project, ahead of the company’s AGM. ShareAction CEO Catherine Howarth said: “BP’s new strategy of constrained growth is good news for shareholders, and the company’s decision to retreat completely from Australian deep water projects suggests the company’s intentions are genuine.”

The Green Century Equity Fund [spoke](#) at the Procter and Gamble* (P&G) Annual General Meeting calling on the consumer goods company to disclose its political affiliations and spending through trade associations on the local, state, and federal level. Stemming from the Principles for Responsible Investment (PRI) publication of investor expectations regarding lobbying and public advocacy, Green Century seeks to ensure that P&G’s political spending and advocacy affiliations are not contradictory to its public statements regarding climate change and the use of toxics in its products.

Oil giant Exxon Mobil* has [reportedly](#) asked a federal court to dismiss a subpoena from New York State that would force it to hand over decades of documents amid a sweeping inquiry into whether it misled investors about climate change risks. Reuters said it means Exxon has now requested the U.S. District Court in Fort Worth, Texas for injunctions against two major climate subpoenas: one issued by New York and another from Massachusetts that it challenged back in June.

Investors including Newton Investment Management,* the Environment Agency Pension Fund, Eden Tree,* Jupiter Asset Management* and Old Mutual Global Investors* have reportedly committed to vote against board appointments in companies that do not have enough women executives. The Financial Times said the 30% Club, which campaigns for greater representation of women in senior management, is calling for more fund managers to follow suit and vote against board appointments where there is little sign of progress.

New York Governor Andrew Cuomo says the New York State Department of Financial Services has issued new guidance directing all state regulated banks to ensure any employee incentive arrangements do not encourage “inappropriate corporate practices”. It follows a record \$100 million fine and other penalties levied against Wells Fargo Bank* by the federal government for programs that encouraged employees to boost sales figures by engaging in this type of behavior.

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*As of December 31, 2016, Allianz comprised 0.00%, 0.00%, and 2.45%; Vestas Wind Systems comprised 0.00%, 0.00%, and 0.55%; BlackRock, Inc. comprised 0.00%, 0.57%, and 0.00%; The Procter & Gamble Company comprised 0.00%, 2.63%, and 0.00%; and Old Mutual comprised 0.00%, 0.00%, and 0.51% of the Green Century Balanced Fund, Green Century Equity Fund, and Green Century International Index Fund, respectively. Other securities mentioned were not held in the portfolios of any of the Green Century Funds as of December 31, 2016. References to specific securities, which will change due to ongoing management of the Funds, should not be construed as a recommendation by the Funds, their administrator, or their distributor.

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