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### WEF Global Risks 2015

Geo-political risks have moved to the top of the perceived risks in the latest report by the World Economic Forum. 'Interstate conflict' is now perceived as the most *likely* risk, with 'Extreme weather events' and 'Failure of national governance' in places two and three. In terms of *impact* respondents now regard Water crises' as the No1 risk, with 'Infectious diseases' and 'Weapons of mass destruction' on ranks two and three.

Previously key risks such as 'Climate change', 'Income disparity', 'Corruption' or 'Biodiversity loss' are no longer in the top five risks.

In their conclusion the authors see two common themes across all risks:

- Importance of governance &
- Need for proactivity

➔ [www.weforum.org/reports/global-risks-report-2015](http://www.weforum.org/reports/global-risks-report-2015)

### GSIA on Sustainable Investment

The GSIA just released their '[Global Sustainable Investment Review 2014](#)'. In their 2<sup>nd</sup> report the GSIA finds that assets managed under SRI criteria have grown significantly faster than non-SRI assets. According to GSIA more assets (58.8%) are now managed under SRI criteria in Europe than under other professional management criteria.

Table 1: Proportion of SRI relative to total managed assets		
	2012	2014
Europe	49.0%	58.8% <sup>4</sup>
Canada	20.2%	31.3%
United States	11.2%	17.9%
Australia	12.5%	16.6%
Asia	0.6%	0.8%
Global	21.5%	30.2%

#### Europe remains No 1, US grows fastest

Over this two-year period, the fastest growing region has been the United States, followed by Canada and Europe. These three regions are also the largest regions in terms of assets, accounting for 99 percent of global sustainable investing assets.

The largest sustainable investment strategy globally is negative screening/exclusions with

### EEA publishes SOER 2015

The European Environmental Agency (EEA) has published its latest report 'State and Outlook of the European Environment 2015' (SOER 2015).

Roughly half way between the start of European Environmental policy in 1970 and the strategic target of 2050 the EEA concludes that much has been achieved, but a lot more remains to be done.

Especially in the areas of *inter-connected systemic risks* the EEA diagnoses a weakness of European policy. The EU continues to focus on three main strategic areas:

- Protecting the natural capital that supports economic prosperity & human well-being
- Stimulating resource-efficient, low-carbon economic & social development
- Safeguarding people from environmental health risks

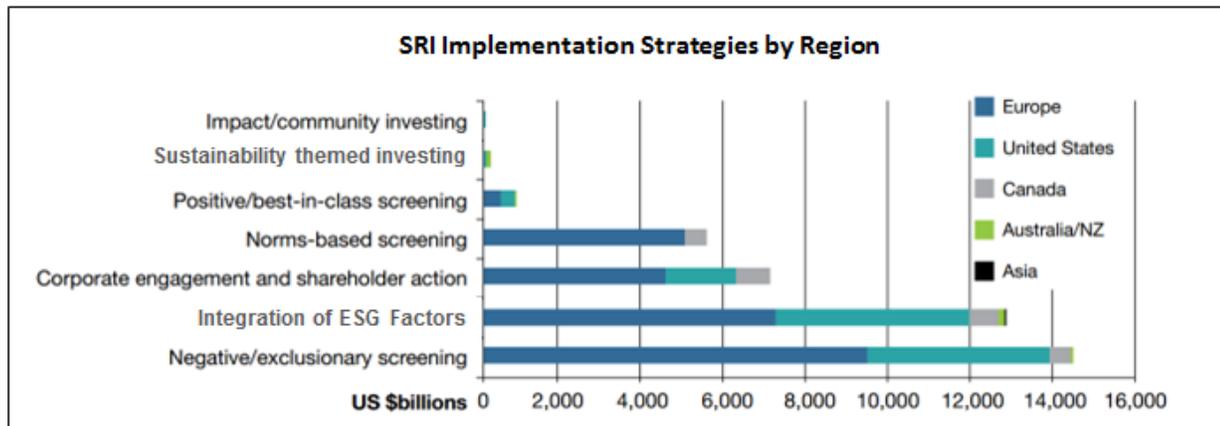
Franz Knecht, managing partner of CONNEXIS, participated as an industry expert in the stakeholder review group of the SOER 2015.

➔ <http://www.eea.europa.eu/soer>

\$14.4 trillion, followed by ESG integration (\$12.9 trillion) and corporate engagement/shareholder action (\$7.0 trillion). Negative screening is the largest strategy in Europe, while ESG integration now dominates in the United States, Australia/New Zealand and Asia in asset-weighted terms. Corporate engagement and shareholder action is the dominant strategy in Canada.

#### Asia grows by 32% to US\$ 53bn

Sustainable investment assets in Asia now stand at \$53 billion, an increase of 32 percent from the \$40 billion tallied at the start of 2012.



The largest Asian markets for sustainable investments are

- Malaysia,
- Hong Kong and
- South Korea.

Across the region the landscape is beginning to evolve, in part driven by the rapid development of ESG reporting and disclosure, but also by an increasing awareness of the massive capital needed to finance the region's transition to a low-carbon future.

In Japan, growing interest in SRI is signaled by the fact that 192 financial institutions have signed the Principles for Financial Action for the 21st Century "to steer society toward sustainability by changing the flow of money to those activities which correspond to such sustainability goals."

In many of these markets, public policy and regulatory changes are underway that could increase the level of corporate disclosure on various environmental, social and governance factors and support shareholder engagement.

[www.gsi-alliance.org/members-resources/global-sustainable-investment-review-2014/](http://www.gsi-alliance.org/members-resources/global-sustainable-investment-review-2014/)

### Global E-Waste Monitor 2014

The United Nations University recently published their Global E-Waste Monitor 2014. E-waste is a complex and fast-growing waste stream that covers all electrical and electronic equipment as well as its components and parts. The composition of this waste stream varies significantly by product, making E-waste very difficult to manage. Rapid product innovation, miniaturization and replacement, especially for information and communication technology (ICT) products and consumer equipment are fuelling the rapid increase of E-waste.

The report estimates the amount of E-waste for 2014 at 41.8 MM tons and forecasts a growth to 50MM tons by 2018. According to the report around 15% of the recorded –E-waste (6.5MM tons) was reported as

formally treated by national take-back programs.

The intrinsic material value – dominated by gold, copper and plastics – is estimated at EUR 48bn in 2014.

The report assesses the annual supply of toxins – dominated by lead glass, batteries and ozone depleting substances – from E-waste at around 2.5MM tons for 2014.

### CONNEXIS News

#### New project in commodities trading

CONNEXIS has been assigned by a large commodities trading company to enhance their communication of corporate ESG performance. The work includes the evaluation of existing information and the identification of additional content areas according to the developing expectations of the client's key stakeholders.

#### Expanded project with European export agency

CONNEXIS has worked with one of Europe's leading export agencies for an extended period of time. In 2015 the ongoing project has been expanded to integrate CSR and ESG risks into all core business functions of the export agency.

As a next step CONNEXIS will support the export agency in developing corresponding risk policies that will cover CSR and ESG risks throughout the agency's entire project approval process.

**Please contact us at [info@connexis.ch](mailto:info@connexis.ch) to subscribe to our newsletter or to start a conversation about CSR and ESG in your organization.**

**For more information you can also visit us at our new re-designed website at [www.connexis.ch](http://www.connexis.ch)**