

# Transforming Taiwan through Sustainable Investment

**Taichung**  
29<sup>th</sup> Sep, 2010

**David St. Maur Sheil**  
Joint Executive Director

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Regional Manager

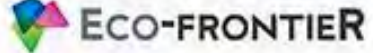
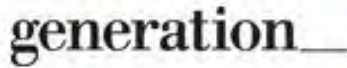
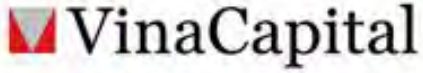
***Association for Sustainable & Responsible Investment in Asia ASrIA***







# About ASrIA – the ‘Network’ for SRI in Asia






# Low Carbon Investment in Asia

## Low Carbon Investment in Asia



Home About LCIA Publications Resources Training Events



Identify climate change  
**risks and opportunities**  
for key industries in Asia

To schedule a one-on-one meeting to discuss the findings of our study, or to participate in our briefing sessions and workshops, please register here:

Name:

E-mail:

**SUBMIT**

Please note that preference for direct participation in this project will be given to investment professionals.

The Association for Sustainable and Responsible Investment in Asia (ASRIA) is implementing the Low Carbon Investment in Asia (LCIA) project.

Supported by the British government's Foreign & Commonwealth Office, the LCIA project has two main goals:

<http://portal.asria.org/LCIA/>

# Agenda Overview

- **Mapping Taichung**
- **Sector Actions for Low Carbon Economy**
- **Key-Takeaways**
- **Discussion**



# Mapping Taichung



Population: 台中市107萬+台中縣156萬=263萬

Transportation: 捷運(100年) 鐵路高架(103年) 道路工程. 轉運金三角(高鐵和機場)

Information Technology: 中科和豐洲科技園區

Property: 大台中七期和太平市新光地區

Agribusiness: 漁港農場和高美溼地海岸

Industrial & Metals: 精密機械

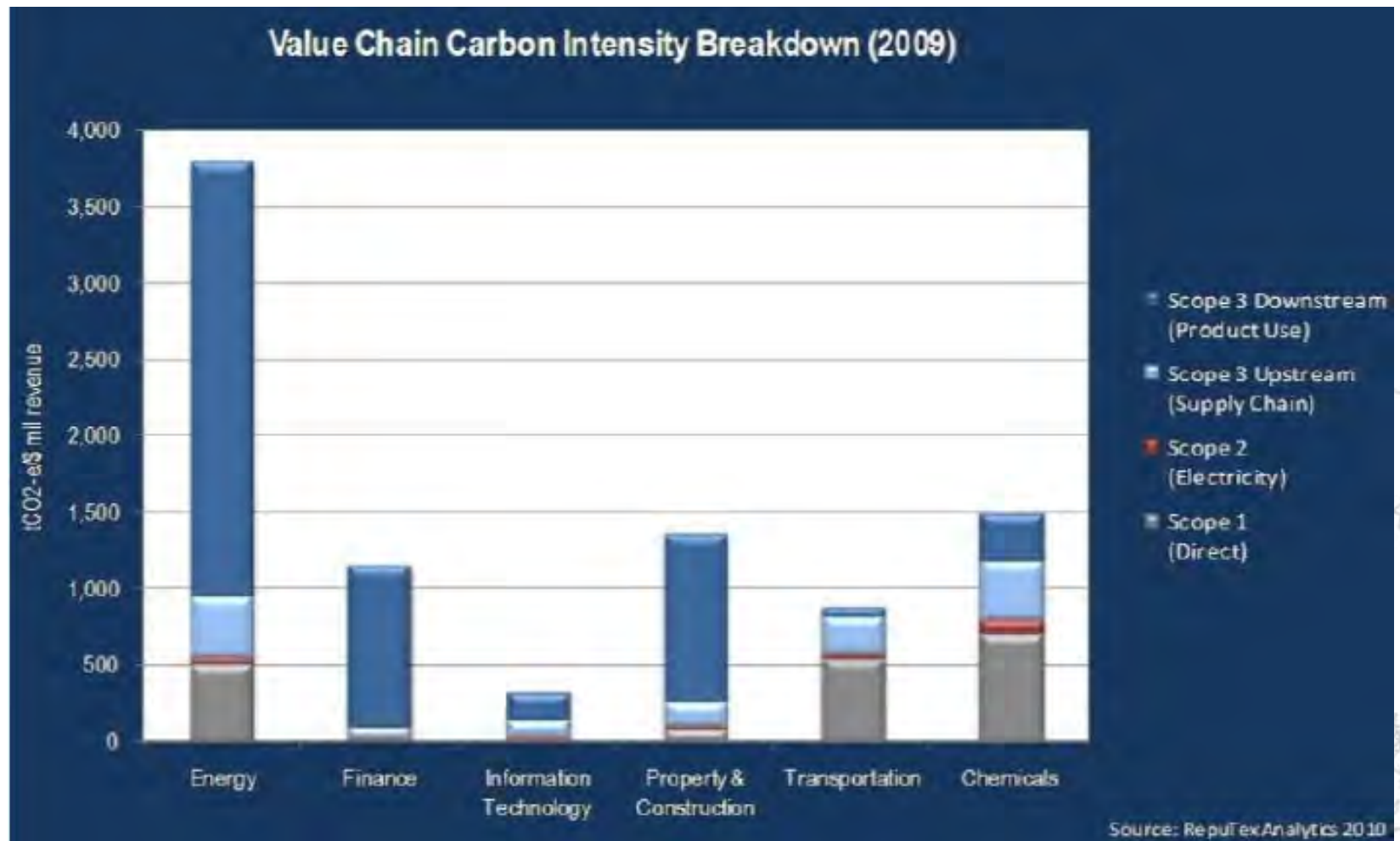
Energy: 火力和風力發電

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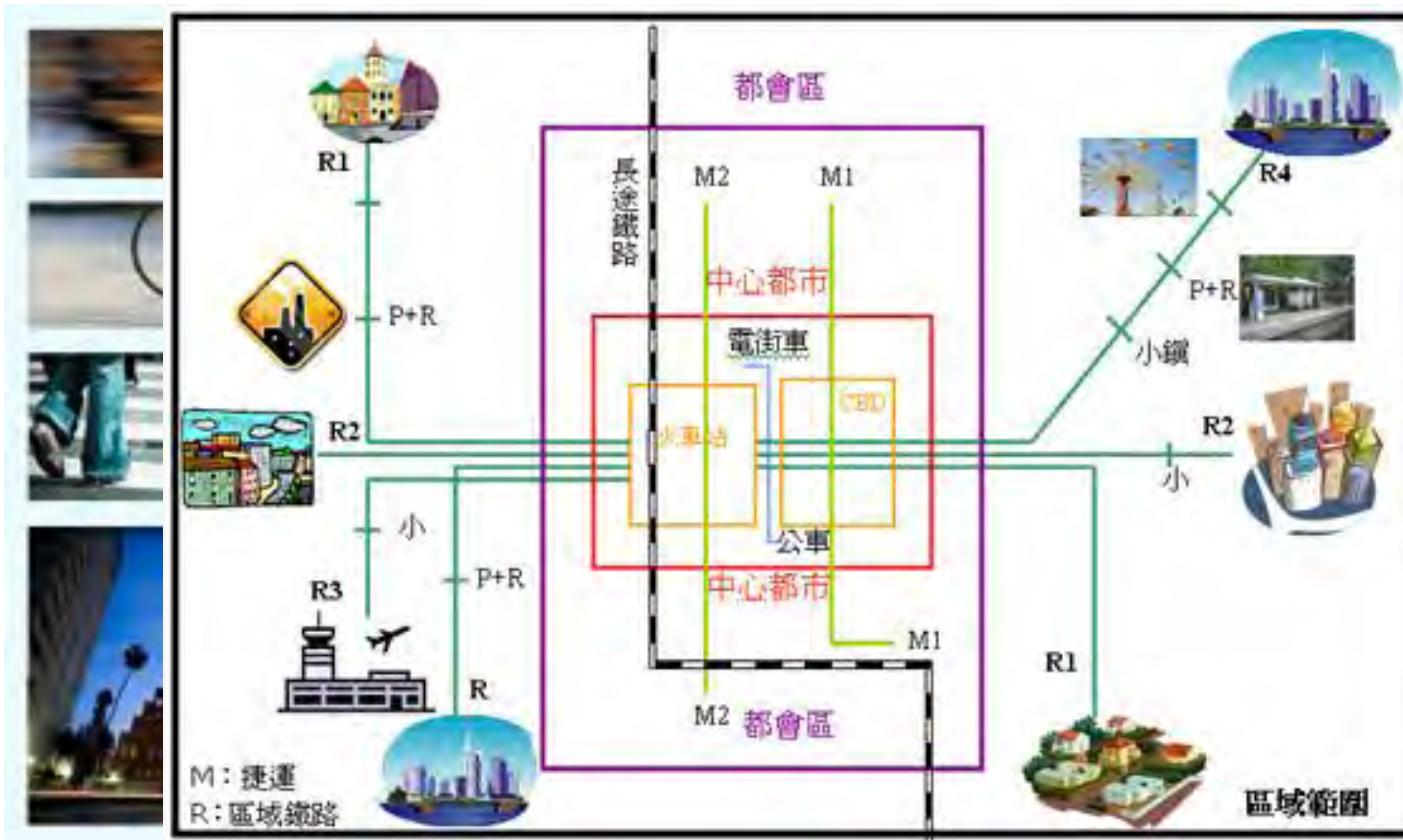


# Mapping Taichung Sector into Carbon Intensity Profile



Carbon intensity measures the amount of greenhouse gas emitted per US\$ millions of revenue

# Transportation



# Transportation-MTR(港鐵)

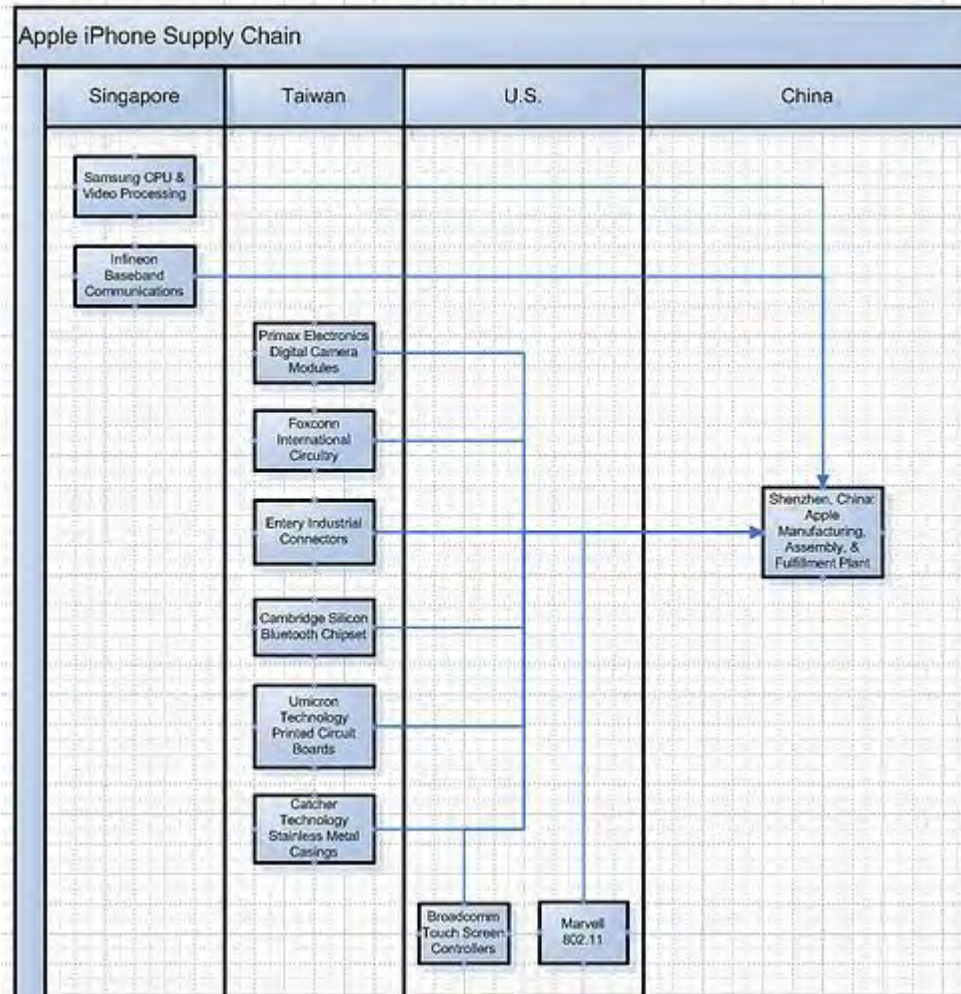
## Sustainability is Mainstream



# Property & Construction



# Information Technology

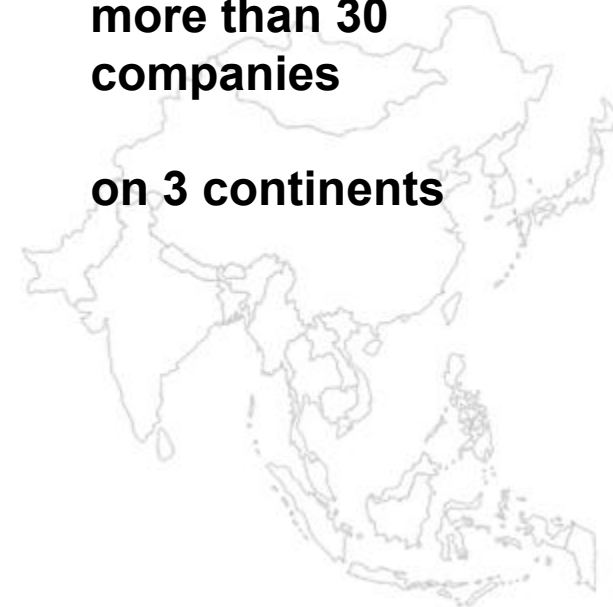


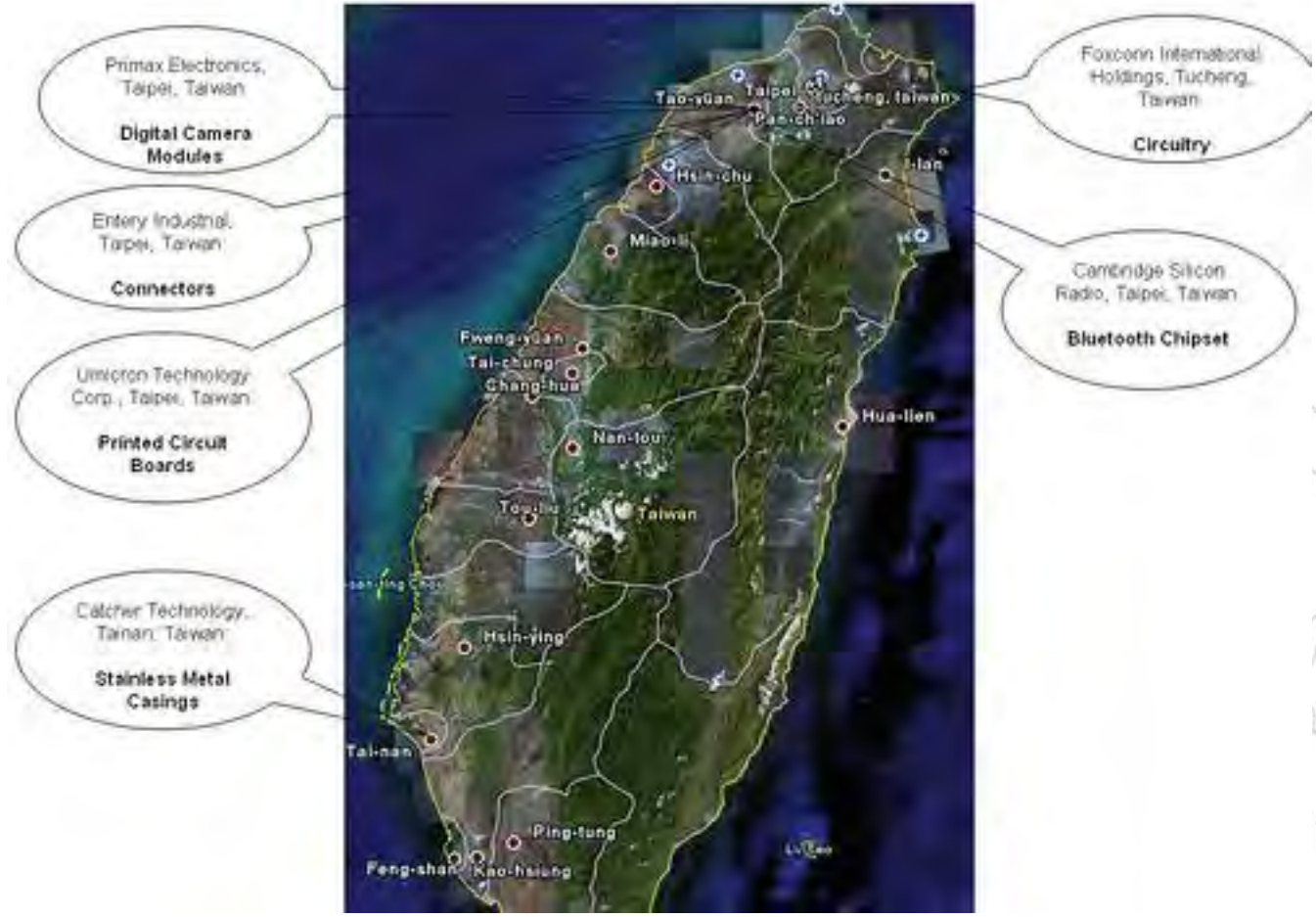
**WHO MAKES  
THE IPHONE?**

**Tens of  
thousands of  
people**

**more than 30  
companies**

**on 3 continents**





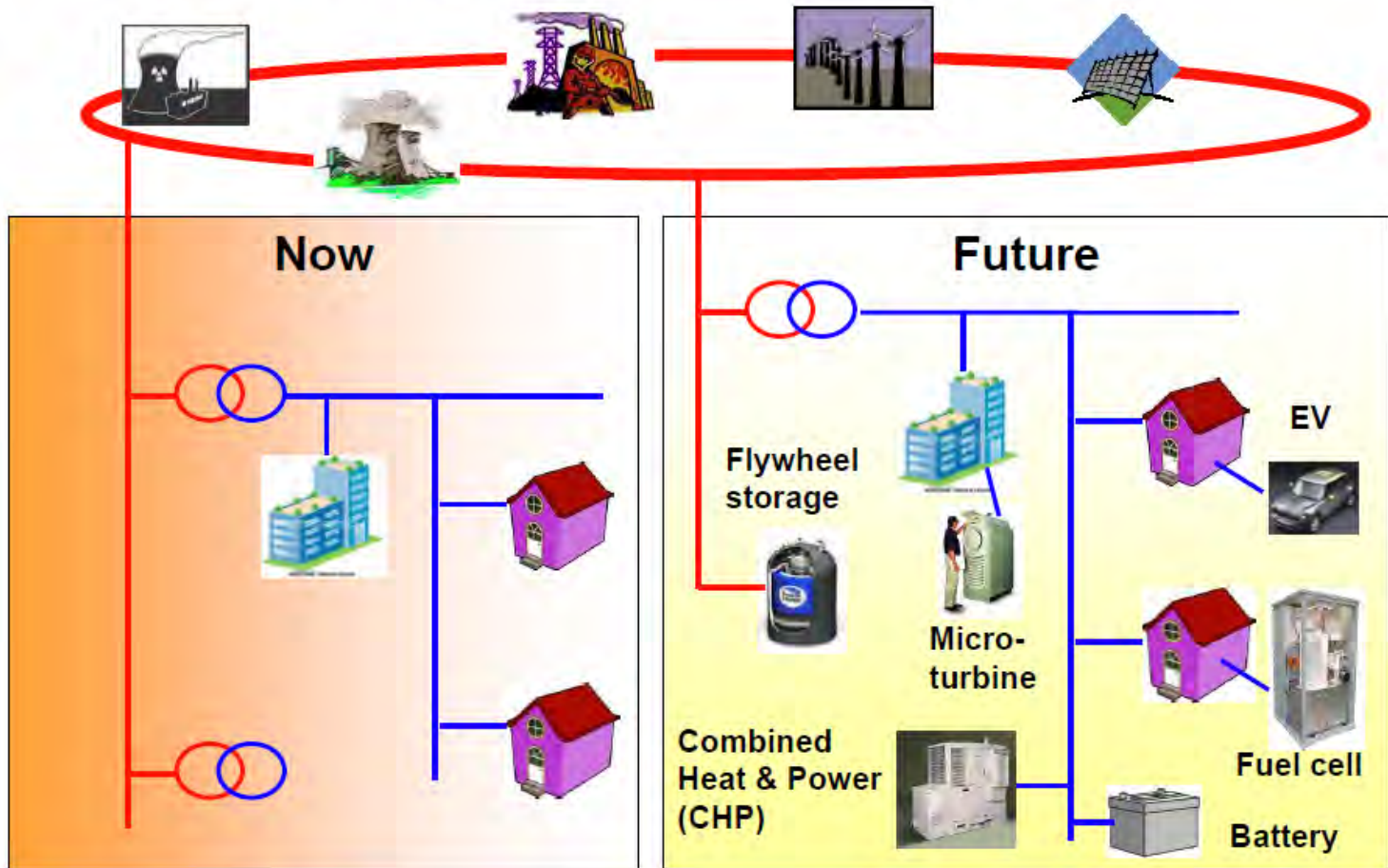
# Agribusiness



# Energy

CLP (中) 中電

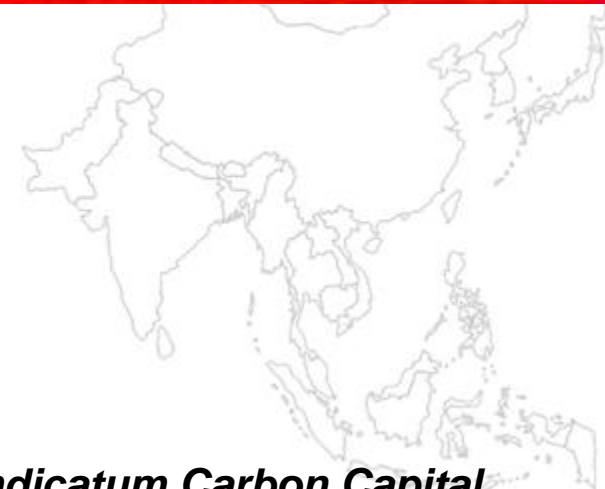
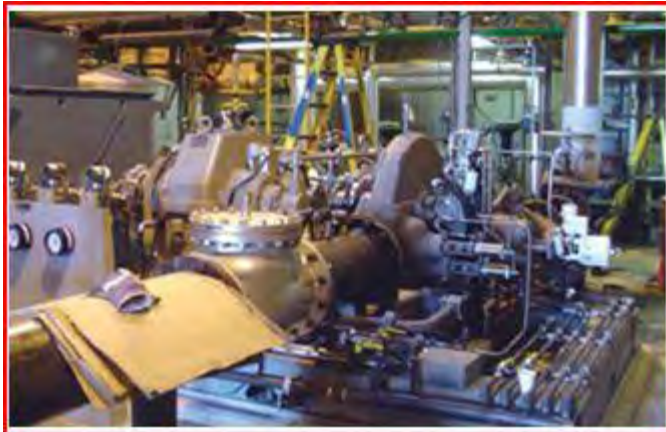
## Smart Grid to Integrate Distributed Energy Resources



# Energy: Syndicatum Carbon Capital

## Unlocking the Hidden Value of Carbon

INDUSTRY	SECTOR	BUSINESS EXAMPLES		CLEAN ENERGY MEASURES	VALUATION IMPACT		HEURISTICS
		TYPE	EXAMPLE		@ 500/1000	@ 1000/1000	
Electricity Utilities	Energy & Utilities	Power Generation	<ul style="list-style-type: none"> <li>- Asia Power (SI)</li> <li>- YTL Power International (MY)</li> </ul>	Energy Efficiency	50%	100%	1MW of existing capacity = \$25,000 of additional revenues
Metals	Basic Materials	Steel Processing	<ul style="list-style-type: none"> <li>- China Steel (TW)</li> <li>- Hebei Iron and Steel (CN)</li> </ul>	<ul style="list-style-type: none"> <li>Waste Heat Recovery</li> <li>Energy Efficiency</li> </ul>	20%	25%	1 tonne of capacity = \$10 of additional revenues



Source: Syndicatum Carbon Capital



# Finance

## Differentiation: ICBC Green Credit Initiative

### 中國工商銀行的綠色信用行動

“Green Credit is a major driver guiding the transformation of the bank's business strategy.”

Two aspects:

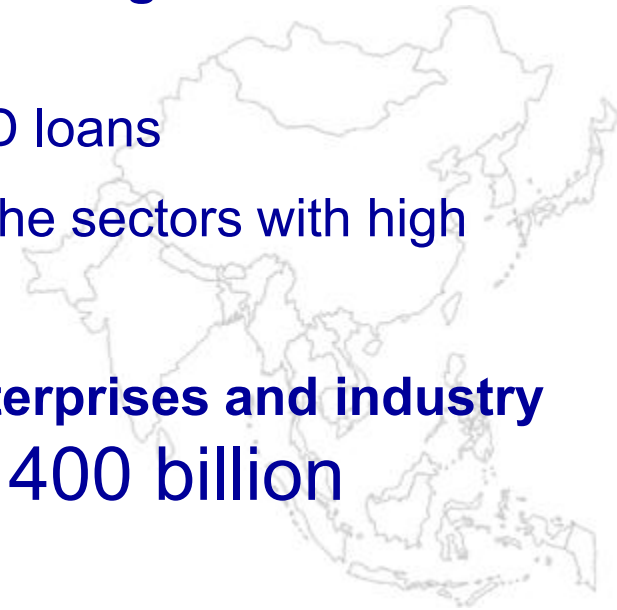
#### 1. **Strict control of credit to high energy consuming and polluting enterprises**

During the reporting period, ICBC has EXITED loans

RMB3.522 billion from 152 enterprises of the sectors with high energy consumption and emissions.

#### 2. **Provision of credit and support of green enterprises and industry**

As of June 2009, loan balance of RMB 400 billion



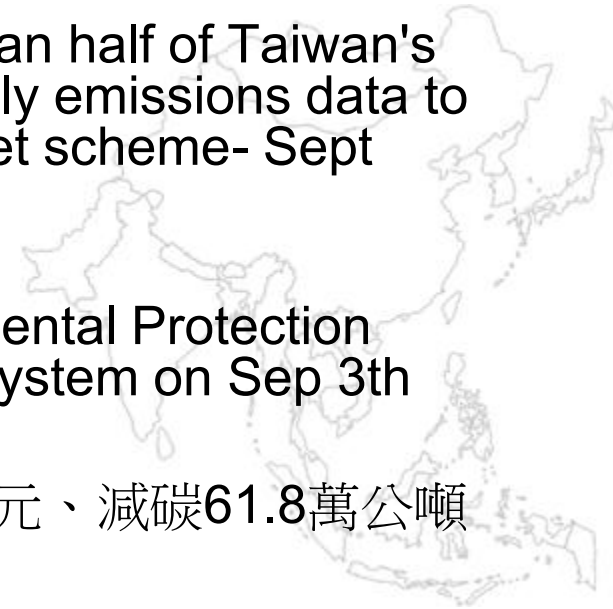
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# Sustainable Taiwan ?

- President Ma who took office in May 2008, has pledged to cut emissions to 2000 levels by 2025.
- The nation aims to have 16 percent of installed power capacity from renewable energy sources by 2025
- Nearly 270 companies responsible for more than half of Taiwan's greenhouse gas pollution have agreed to supply emissions data to the government to help it launch a carbon offset scheme- Sept 21 (Reuters)
- Taiwan's Premier Wu Den-yih urged Environmental Protection Agency to draw up plans for a cap-and-trade system on Sep 3th
- 經濟部表揚30家節約能源績優單位 年省18.2億元、減碳61.8萬公噸



# Sustainable Taiwan ?

- There are many people depend on the world's worst polluting power plant for much of their energy
- The Industrial Development Bureau (IDB) on Sunday rejected an appeal by a group of local scholars to hold a public debate on a plan to build a giant petrochemical complex in a wetlands area in central Taiwan.  
Taipei, Sept. 26 (CNA)
- Formosa Group's plant fined NT\$1 million for air pollution. Sep 9



# Key Takeaways-Active Engagement

## **STAKEHOLDER ENGAGEMENT**

Understand the ESG issues that impact your firm and portfolio companies, given your particular strategy. The answer will be different in each firm.

## **VISION AND STRATEGY**

Determine how you want to respond, what is and isn't in scope and how you can justify that.

## **CULTURE AND CHANGE**

Lead from the top, but involve everyone in the firm, don't underestimate the importance of managing change. •

## **METRIC**

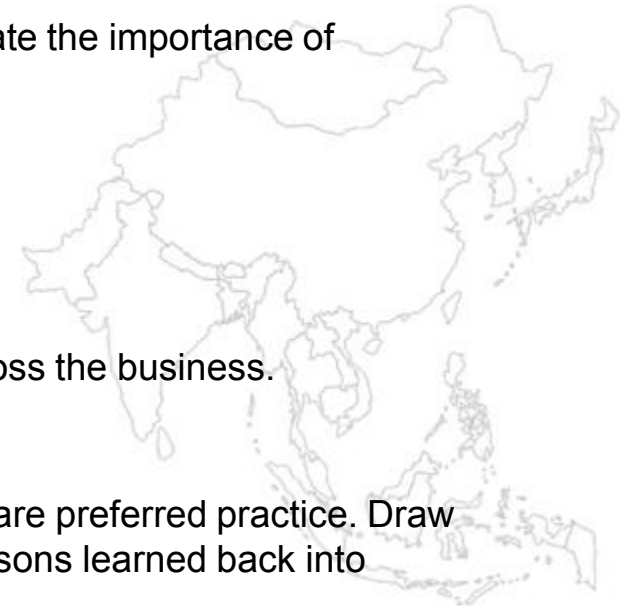
Measure, monitor and review your performance regularly.

## **PEOPLE AND PROCESS**

Train team members and set expectations for activities expected across the business.

## **CONTINUOUS IMPROVEMENT**

Review what you are doing, how you are doing it and monitor and share preferred practice. Draw your comparator group widely and stay ahead of the curve. Cycle lessons learned back into investment decisions and portfolio management.

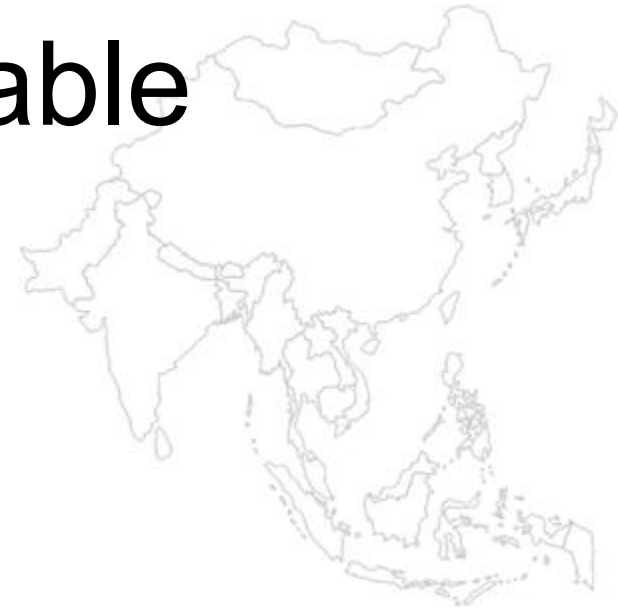


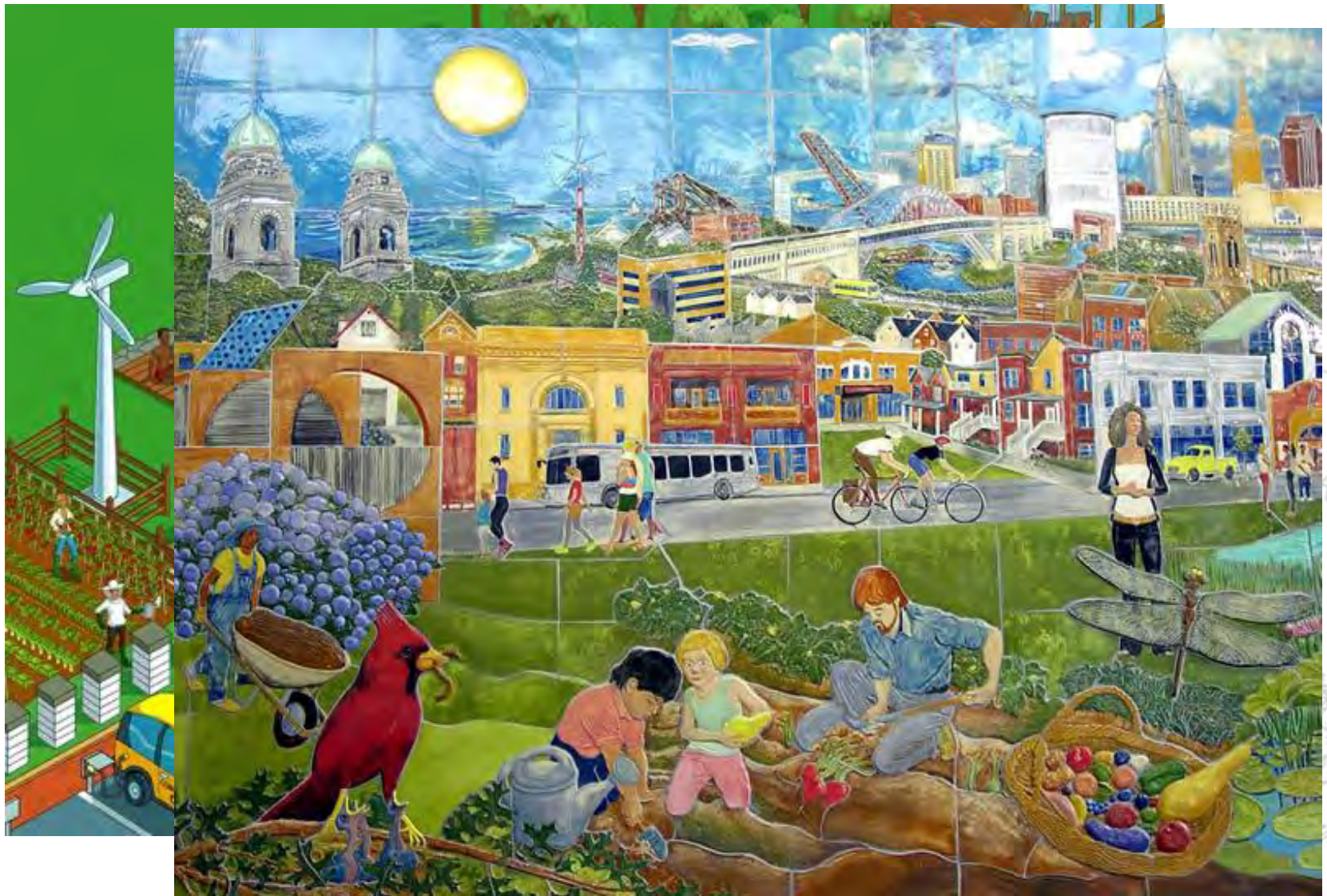
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# Standing in Taichung, Will We Transform Taiwan through Sustainable Investment?



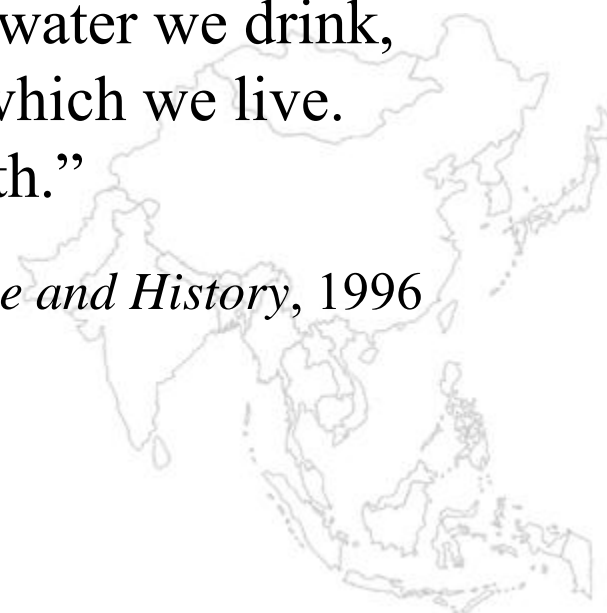


# Sustainability Challenge

“I have never believed we had to choose between either a clean and safe environment or a growing economy.....And creating thriving companies and new jobs doesn't have to come at the expense of the air we breathe, the water we drink, the food we eat, or the natural landscape in which we live.

We can, and indeed must, have both.”

- Bill Clinton, *Between Hope and History*, 1996





[www.asria.org](http://www.asria.org)

News

Research

Resources

Membership

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Association for Sustainable & Responsible Investment In Asia

