

INSIGHTS

For the Mainstream Investor

WEEK ENDING JANUARY 6, 2017 EDITION 175



CITIES STRUGGLE WITH POLLUTION

Not just China, but Poland, Germany and the UK are also experiencing off-the-charts pollution

China A third of China's cities were blanketed in smog at the beginning of 2017, posing great health risks. [Why is air pollution](#) in China on the rise now?

Poland A city in [coal-burning Poland](#), Skala, makes China's air look clean. The city has 979 micrograms of pollution per cubic meter of air, far exceeding Beijing's 737.

Germany Following New Years firework displays [particulate levels in Munich](#) reached 26 times the EU-recommended daily limit.

UK Meanwhile, London has already breached its annual [air pollution limits](#) (5 days into 2017!).

See our [predictions for the year](#) including 'Cities to lead on pollution'

RISE OF IMPACT INVESTING

Investing with a social or environmental benefit is heading into the mainstream

In the last two years, several large banks and pension funds have joined what was once a niche movement: "impact investing". BlackRock, the world's biggest asset manager, launched a new division called "Impact" while Goldman Sachs, an investment bank, acquired an impact-investment firm, Imprint Capital. Meanwhile, two American private-equity firms, Bain Capital and TPG, launched "impact funds".

However, defining impact varies from investor to investor. For example, for some investment only deserves "impact" status if it delivers both near-market level returns AND strict measurement of the non-financial impact. For others the definition is less rigorous. [READ MORE](#)

THIS WEEK IN NUMBERS

700,000

new cases of lung cancer were recorded in China in 2015

80,000

80,000 companies are now covered by the [RepRisk](#) ESG platform

1968

was when US federal minimum wage peaked, when adjusted for inflation

625

members of the American Petroleum Institute have lobbied President-elect Trump for lighter regulation

95

percent fall in UK green infrastructure is forecasted by 2020 by [Green Alliance](#)

10

reasons to be optimistic for a low-carbon future according to [Ceres](#)

9.2

percent of UK electricity was generated from coal in 2016, down from 22.6% in 2015

INFOGRAPHIC OF THE WEEK

Americans Name the 10 Most Significant Historic Events of Their Lifetimes

Millennials			Generation X		
1	Sept. 11	86%	1	Sept. 11	79%
2	Obama election	47	2	Obama election	40
3	Iraq/Afghanistan wars	24	3	Fall of Berlin Wall/end of Cold War	21
4	Gay marriage	19	4	The tech revolution	20
5	The tech revolution	18	5	Iraq/Afghanistan wars	18
6	Orlando shooting	17	6	Gulf War	15
7	Hurricane Katrina	11	7	Challenger disaster	14
8	Columbine shooting	10	8	Gay marriage	10
9	Bin Laden	10	9	Hurricane Katrina	10
10	Sandy Hook	7	10	Columbine shooting	9
11	Boston Marathon bombing	7	11	Orlando shooting	9
12	Great Recession	7	12	Oklahoma City bombing	9

Baby Boomers			Silent Generation		
1	Sept. 11	70%	1	Sept. 11	59%
2	JFK assassination	45	2	WWII	44
3	Vietnam War	41	3	JFK assassination	41
4	Obama election	38	4	Vietnam War	37
5	Moon landing	35	5	Moon landing	29
6	The tech revolution	26	6	Obama election	28
7	Civil rights movement	18	7	The tech revolution	27
8	Fall of Berlin Wall/end of Cold War	16	8	Civil rights movement	18
9	MLK assassination	15	9	Korean War	18
10	Iraq/Afghanistan wars	11	10	Iraq/Afghanistan wars	14

Note: Shown are the top 10 events mentioned, including numerical ties. While events are ranked numerically for ease of reading, not all differences between ranked events are statistically significant. Look to accompanying text to highlight significant differences.

Source: Survey conducted June 16-July 4, 2016.

"Americans Name the 10 Most Significant Historic Events of Their Lifetimes"

Source: [Pew Research Center](#)

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AIR POLLUTION AND DEMENTIA

Living near air pollution sources can cause dementia; But the US is passing laws to regulate the pollution.

Scientists have found that people living near heavy traffic areas – with high air pollutant concentrations – have a **higher risk of developing dementia** than those living further away. The study found that pollutants can get into people's brains via their bloodstreams, which can cause inflammation, which is linked to brain disease, cardiovascular disease and diabetes.

Meanwhile, a new US federal rule requires lower sulfur levels in gasoline. What does this mean? Lower levels of pollutants in the air, but perhaps higher gasoline taxes (already seven states have boosted their gasoline taxes). [READ MORE](#)

APP OF THE WEEK

Located in six countries, **Too Good To Go** is a "hyper-local environmental social enterprise dedicated to reducing food waste" by linking up good food that will be thrown away with people that want it (at a discount!). Win-win-win!

WE'RE WATCHING...

...The sovereign green bond market. After hosting COP21 last year, France will begin a "roadshow" for a **sovereign green bond** this week. Several banks, including Credit Agricole and Morgan Stanley, will work on the deal.

DID YOU SEE...?

More ESG data industry consolidation. ESG data provider **ISS** announced this week **the acquisition** of IW Financial, a U.S.-based ESG research, consulting, and portfolio management solutions firm. See more on the consolidation of ESG data providers in our paper: [Who are the ESG rating agencies?](#)

BEVERAGE COMPANIES LYING?

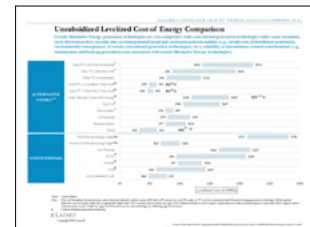
Companies accused of tobacco-like deception

Coca-Cola Co. has been sued by a group who compares the **company's advertising tactics** to "the tobacco industry's past efforts in minimizing the health effects of its products and targeting children to replenish the ranks of its customers."

The group – Praxis Project – seeks to stop deceptive advertising of sugary drinks, which have been linked to obesity, Type 2 diabetes and cardiovascular disease. "Like the tobacco industry, Coca-Cola needs to replenish the ranks of its customers, and it tries to recruit them young," the group said in its complaint.

Follow the law case [HERE](#)

WHAT WE'RE READING



Lazard

[Lazard's Levelized Cost of Energy Analysis – Version 10.0](#)

IN CASE YOU MISSED IT

In early 2016 we made **seven predictions** for the year. (See how we did on [page 2!](#)) Now we make **seven more for 2017**. Topics include: Fossil fuel fight-back, diversity in the boardroom, green product sophistication, cities lead on pollution, and fracking concerns. [READ MORE](#) →



BELIEVE IT OR NOT

Growth area in the travel industry: 'haze avoidance' tourism.

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