

Multi-front Actions on the War on Pollution: The State of Environmental Report in 2014 was officially "average" but a closer look reveals groundwater quality has worsened four years running and rivers in the Southwest are showing signs of deterioration for the first time. Is the war on pollution effective? There is hope ... MSCI's Chew & Wang on pollution violations & corruption crackdowns while Ceres' Freyman says that water - or the lack of it, means investors can no longer ignore water risks. This month's edicts and policies have focused on safe drinking water, the circular economy and lowering carbon emissions, so we have Li Ling share some cost effective rural drinking water solutions while WaterHubs' Saraf tells us how urban slums can go circular and Veolia's Cambadelis tackles the water-energy nexus. The apparel sector also needs to go circular and we are glad to see the industry recognising this in the Global Leadership Awards in Sustainable Apparel (GLASA) by focusing on water in 2015. We are also pleased to announce that we have been nominated and selected as a finalist for the 2015 GLASA Awards which will take place in Stockholm, to coincide with World Water Week where we will also co-convene a seminar with HSBC on "Rethinking Water for Growth: Balancing trade, resource allocation & economy". See you in Stockholm!



EDITORIAL

Multi-front Actions on the War on Pollution: The State of Environmental Report in 2014 was officially "average" but a closer look reveals groundwater quality has worsened four years running and rivers in the Southwest are showing signs of deterioration for the first time. Can the war on pollution be effective when polluters are tampering with monitoring?

There is hope ... 2015 should mark the turning point with the new environmental protection law in force. Recent action include higher violation fines, more litigation and a continuing anti-corruption crackdown (see "Tapping In" column). Violations resulting in penalties and stop production orders have already doubled between 2011-2014 and corruption controversies are expected to double in 2015 - MSCI's Chew & Wang further expand on their findings. With a multi-front war on pollution, it is important not to ignore the associated risks - already Ceres' Freyman is saying that water - or the lack of it, is becoming a bigger financial issue for investors.

Aside from fighting to lower carbon emissions, edicts and policies this month have also pushed safe drinking water to reach 60 million more Chinese and circular economy pilots in industry parks. We therefore have Li Ling share some cost effective rural drinking water solutions while WaterHubs' Saraf tells us how urban slums can go circular with modular water & sanitation infrastructure and Veolia's Cambadelis tackles the water-energy nexus by turning wastewater into energy in Urumqi.

Another industry that needs to go circular due to limited water resources is the apparel sector. We are glad to see the industry recognising this in the Global Leadership Awards in Sustainable Apparel (GLASA) by focusing on water in 2015. We are also pleased to announce that we have been nominated and selected as a finalist for the 2015 GLASA Awards which will take place in Stockholm, to coincide with World Water Week where we will co-convene a seminar with HSBC on "Rethinking Water for Growth: Balancing trade, resource allocation & economy" (see events).

See you in Stockholm!



2014 State of Environment Report Review

The overall environmental quality in 2014 was "average", but with polluters tampering with monitoring, can we believe this data? We take a closer look at the mixed news

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A New Era of ESG in China

China's economy is slowing with challenges arising from ESG factors. MSCI's Chew & Wang on pollution fines and anti-corruption crackdowns from their recent report. Investors need to be prepared & look into these new factors

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Investors Can No Longer Ignore Water Risks

Ceres warns that water – or lack of it – is becoming a bigger financial issue for investors. Monika Freyman shares key points from their report on how to integrate water analysis into investment decisions

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Rural Drinking Water Solutions

783 million people in rural areas still lack safe drinking water due to diseases coursing through waterways. Ling Li on why a traditional water distribution system is not necessarily the best answer & shares cheaper alternatives

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WaterHubs: Infrastructure for Urban Slums

523 million or 61% of the urban slum population in developing countries is in Asia. Saurabh Saraf, WaterHubs CEO, outlines how WaterHubs can deliver holistic & fiscally viable water & sanitation solutions for slums

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Wastewater to Energy in Urumqi

In Urumqi, China water & energy demand has increased due to rapid growth. Veolia's Nina Cambadelis on how a wastewater treatment plant can be upgraded to produce biogas from the digestion of sewage sludge

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GLASA Awards 2015 - China Water Risk is a Finalist

The GLASA Award celebrates bold & courageous leadership in the apparel sector and promising ideas/practices that can increase the sustainability performance of sector. This year's focus is water

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TAPPING IN

Events

- 26 Aug 2015: ["Rethinking Water for Growth: Balancing trade, resource allocation & economy"](#) - CWR & HSBC co-hosting at World Water Week
- 27 Aug 2015: [GLASA Awards](#) - CWR is a finalist

Government

- State Council: [Opinions on Promoting "Internet Plus"](#): develop IT-based smart manufacturing, modern agri, environ monitoring & disclosure, waste recycling
- NDRC: [China's Intended Nationally Determined Climate Change Contributions](#): CO2 to peak ~2030
- NDRC: [Catalogue of the Key National Low-Carbon Tech to be Promoted \(2nd Batch\)](#)
- NDRC & NEA: [Opinions on Promoting the Smart Grid](#): preliminary smart grid system by 2020
- NDRC: [Opinions on Establishing National Pilot Development Zones for Economic Transformation & Upgrading Along Yangtze River](#): control pollution in chemicals; paper & pulp; textile dyeing
- NDRC: [List of 25 Circular Economy Pilot Industrial Parks in 2015](#)
- NDRC, State Admin of Grains & MoF: [Grain Storage and Supply Security Plan \(2015-2020\)](#): reduce annual grain loss by 13mt = savings of 10bt of water & 4.6mt standard coal
- MWR: [Notice on Water Use Quota Evaluation Work Plan](#): provincial agri/ industry/ municipal water quotas by 2016
- MWR, NDRC, MoF, NHFPC & MEP: [Notice on Further Strengthening Rural Drinking Water Safety](#): to reach 60 mn more people by 2015
- MoF, NDRC, MIIT & MEP: [Implementing Measures of Environ Protection Leaders Programme](#): identify leading co's with green supply chains & environ friendly products

Reports

- GLASA: [The State of the Apparel Sector - 2015 Special Report: Water](#)
- MSCI: [China's Economic Transformation: A New Era of ESG Opportunity](#)
- REN21: [Renewables 2015 Global Status Report](#): 2014 total = 657GW; USD 270 new investment
- HSBC: [Green Bonds in China: Channelling funds to where they can help build a cleaner, modern economy](#)

Interest

- Xie Zhenhua, NDRC: China's climate change plan to cost RMB41 trn
- Supreme Court: 13 pilot projects to start public interest litigation for cases on environ & resource protection and food safety
- MoF: RMB25bn for water projects; 29 existing & 143 new
- MEP: RMB2.8bn central budget set to tackle heavy metal pollution
- Over 2,100 officials investigated for environ-related crimes
- 2,080 criminal cases handed to the police by environ protection depts in 2014; 2x than in previous decade
- Coca-Cola China: 2020 water replenishment goal met in 2014

Hot on Weibo:

- More than 1mn people evacuated due to Typhoon Chan-hom around the Yangtze River Delta

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